

地元に全力!

沖縄セルラー

OKINAWA CELLULAR

Okinawa Cellular
Integrated Sustainability Report 2025

Brand Message

Our Mind, Timeless Our Challenge, Timeless



Since Okinawa Cellular's establishment in 1991, we have worked to create a resilient and high-quality network as the total communications provider for Okinawa with contributing to the development of Okinawa's economy through our business as our corporate philosophy. Thanks to the support of many local companies and partners, we have achieved growth.

Going forward, Okinawa Cellular will seek to become a top brand that creates "smart and comfortable lives for all" using communications and information technologies based on the overwhelming experiential value we have accumulated by creating close ties with customers and local communities in Okinawa. We will contribute to the Okinawa that we cherish while growing and developing with our customers and business partners.

Our brand message, "Our Mind, Timeless Our Challenge, Timeless," includes the idea of "with hearts full of love and gratitude for Okinawa, our challenge will continue. Now and always."

Credo

Raise People's Spirits

Act with good motives or non-selfish motives

Management Principles

- Contribute to the development of Okinawa's economy through our business
- In light of the Company's highly public nature, strive to be a company worthy of familiarity and respect of prefectural residents
- Pursue the physical and mental wellbeing of employees
- Become a leading company in Okinawa in name and in fact

Fundamental Principles

For all of our stakeholders — our customers, employees, shareholders, business partners, and society as a whole.

As a member of the KDDI Group, Okinawa Cellular strives to adhere to the following four fundamental principles in our corporate practices.

- **Customer Satisfaction**
by providing with our services the value that customers expect;
- **A Happy Workforce**
by continuing to be the kind of dynamic company that inspires all its employees with a sense of worth and fulfillment;
- **The Confidence of Our Shareholders**
by justifying the trust placed in us by our shareholders, business associates and all with whom we have dealings;
- **The Advancement of the International Community**
by bringing an ever broadening array of communications to bear in serving the development of the global community.

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The History of Okinawa Cellular

1991- 1997- 2004- 2021-

June 1991
Establishment of Okinawa Cellular Telephone Company

October 1992
Start of Mobile Car Phone TACS (Analog) service
Uchina-phone, a low-price service for Okinawan residents

January 1993
The early model of mobile phone terminals
The first model equipped with lithium-ion batteries in Japan was extremely successful.

In Okinawa, the model was given the nickname "Chibariphone," which encouraged the Company's growth.

Achieved 70% share in the prefecture

January 1994
The Cellular Spot opened



November 1995
Start of service on Kume Island, Iheya Island, and Izena Island

February 1996
Start of service on Miyako Island and Ishigaki Island

April 1997
The Company's shares were registered with the Japan Securities Dealers Association for over-the-counter trading

July 1998
Adoption of CDMA system
The CDMA system, "cdmaOne" was introduced, which was attracting attention as the "next digital" system.

January 1999
Mobile phone numbers increased to 11 digits

May 1999
Launch of "EZweb" service
Access to the Internet and e-mail communication became possible using only a mobile phone device.



July 2000
Introduction of "au" unified brand



October 2000
Establishment of KDDI



November 2000
Launch of "Gakuwari" discount service for students



December 2002
Launch of "Chaku-uta" music download service

November 2003
Launch of CDMA 1X WIN service
High-speed data transmission of up to 2.4 Mbps became available. "EZ Flat," the first flat-rate packet communication fee plan among mobile phone carriers in Japan, was introduced.



August 2004
Launch of "Double-Teigaku," packet fixed rate service

November 2004
Launch of EZ "Chaku-uta Full" music download service



December 2004
Creation of the "au Deer!," a character limited to the Okinawa area

A character created by employees in collaboration with a designer in Okinawa Prefecture gained popularity.

Over-the-counter registration with the Japan Securities Dealers Association was cancelled, and the Company's shares were listed on the JASDAQ Securities Exchange

February 2005
Launch of the au Joy Project

May 2005
au store sales staff began wearing original Kariyushi wear



January 2006
KDDI launched "au LISTEN MOBILE SERVICE"



November 2008
Opening of Nanjo Network Center

January 2010
Okinawa Telecommunication Network Co., Inc. (currently OTNet Co., Inc.) became a subsidiary through the underwriting of a third-party allotment of new shares



March 2010
Launch of "au HIKARI Chura" service
"au HIKARI Chura," an optical fiber Internet service was launched, in Naha, Urasoe and Tomigusuku cities.



April 2010
Inauguration ceremony of Okinawa Cellular Stadium Naha and Okinawa Cellular Park Naha

The Company obtained the naming rights of these facilities: a stadium with a large roof and full-scale night game facilities that can accommodate 15,000 people in the infield and 15,000 people in the outfield stands, and an indoor sports facility.



August 2013
Completion of Okinawa Cellular head office building

April 2015
Offering Mobile Service Grant

The program supports high school students by providing free smartphone handsets and waiving mobile phone fees, and issued grants to a cumulative total of 446 students by 2024.



March 2016
Opening of Tomigusuku Network Center

September 2017
Okinawa Cellular Agri&Marche Corporation was established through a corporate spin-off



June 2018
World's first successful real-time distribution of free viewpoint video via "5G" mobile communication system

The world's first successful real-time distribution of free viewpoint video at an official Japanese professional baseball game held at Okinawa Cellular Stadium Naha, utilizing "5G" compatible tablet terminals.



July 2018
First shipment of strawberries (Churashima Berry) cultivated in an ICT-based fully enclosed plant factory in the prefecture



September 2019
Opening of "KDDI DIGITAL GATE Okinawa"

Accelerating corporate DX and work with corporate customers to create new business solutions.

November 2019
Launch of "au Denki," an electricity service provided by au



February 2020
Launch of a demonstration project to transport goods using drones in Taketomi Town
Launched an initiative to build a network of remote island logistics using all-weather drones.



April 2020
Start of the Okinawa-Kyushu submarine cable operations

July 2020
Free distribution of eco-friendly bags to au cell phone subscribers as part of SDGs activities



March 2021
Launch of the Okinawa Health Management Plus 1 Project
Provided "JOTO Home Doctor," a health management application for residents of Okinawa Prefecture.



June 2021
30th anniversary of the Company's establishment

July 2021
Operation of taxicabs decorated with the "au Deer!" corporate character



As a project to express gratitude for the Company's 30th anniversary, two fully decorated free taxicabs were operated for a limited time.

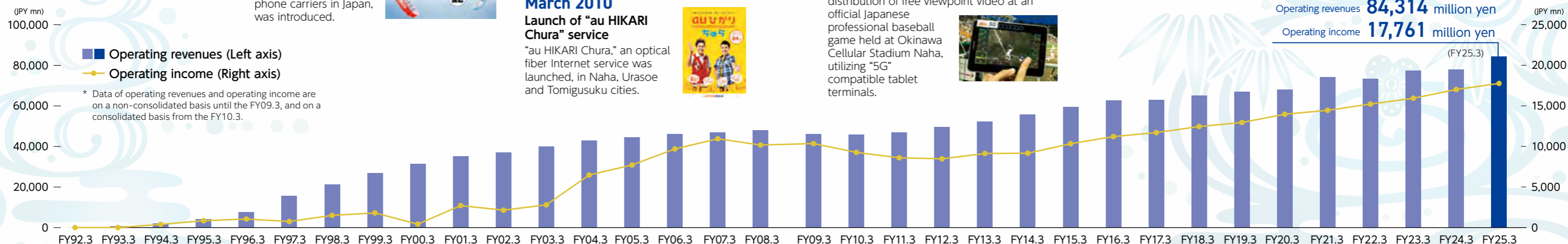
November 2021
Completion of Okinawa Cellular Forest Building

April 2022
Moved from the JASDAQ market to the Standard market due to the revision of the market classification of the Tokyo Stock Exchange

July 2023
Start of optical submarine cable "YUI" operation
Okinawa Main Island - Kume Island - Miyako Island - Ishigaki Island

August 2023
Launch of "Starlink Business" service in Okinawa area

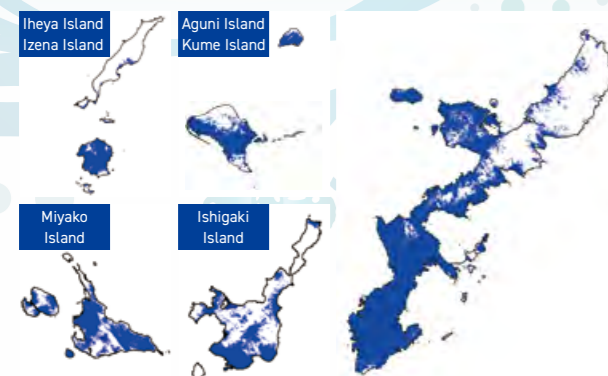
November 2023
Acquired MC Okinawa Co., Ltd. as a subsidiary through a third-party allocation of new shares and changed its name to Okinawa Cellular Mirai Create Co., Ltd.



At a Glance

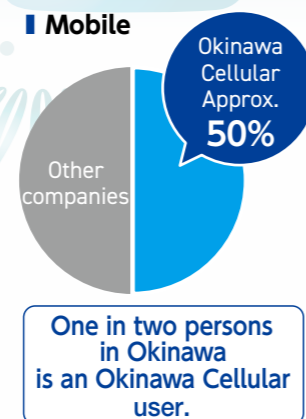
Comprehensive Telecommunications Operator in Okinawa

5G coverage of the population area on all islands: **98%**
Providing high quality and robust network

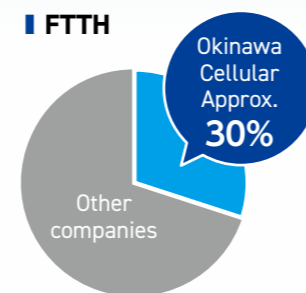


As of March 31, 2025

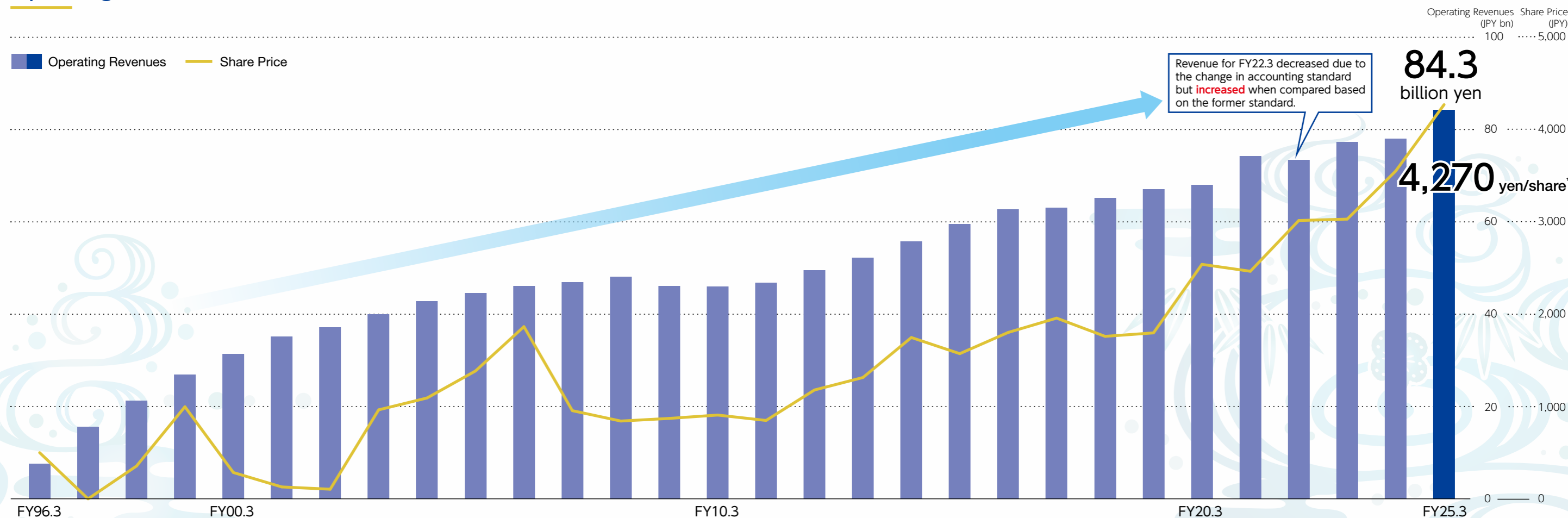
Share of mobile service: **50%**



Share of FTTH service: **30%**



Operating Revenues / Share Price Trend



* Share price as of the end of March 2025.

Management Policy

3 increases
(in revenues, income, and consecutive dividends)

Dividend payout ratio of **over 40%**

	FY15.3	FY25.3
Operating income	10.3 billion yen	17.7 billion yen
ROE	11.90%	12.90%
DPS	44.0 yen*	124.0 yen
Dividend payout ratio	35.9%	47.6%
Number of employees	274	521

* The Company conducted a 2-for-1 stock split of its common shares, with a record date of March 31, 2025, and the DPS figures have been adjusted accordingly.

Dividend Performance

Dividend increase for **24** consecutive fiscal years since FY02.3

Message from the President



President, Representative Director and Head of the Wellbeing Office

Yasuaki Miyakura

Driving Transformation and Taking on Challenges Every Day to Realize a Future Full of Smiles in Okinawa through Our Business

A Year That Reaffirmed Our Employees' Love for Okinawa

Looking back on my first year as President since assuming the position in June 2024, I feel it was a year that marked the starting point of transformation. In the process of formulating our new Mid-Term Management Plan that began in fiscal 2025, I had the opportunity to once again listen closely to the voices of our employees. Our employees are sincerely devoted to the future of Okinawa, fully dedicating themselves to fulfilling their responsibilities as members of OKINAWA CELLULAR TELEPHONE COMPANY (Okinawa Cellular). It is their passion and actions that are shaping the future of the Company. Upon becoming President, I made a personal pledge to make Okinawa Cellular a company that "creates the future of Okinawa together with its people."

The vision set forth in our Mid-Term Management Plan "OCT VISION 2030," which started in fiscal 2025, is to create a "Chimu-dondon Smart Islands." "Chimu-dondon" is an Okinawan word that expresses excitement and joy. The plan embodies our aspiration to take on new challenges across various businesses centered on our core telecommunications business, solve social issues faced by Okinawa, and grow into a company that brings "chimu-dondon" to the people of the prefecture.

Having lived in Okinawa for over two years, I have come to feel that the region's greatest charm lies in the warmth of its people's hearts. I feel that what makes Okinawa truly special is its gentle and welcoming atmosphere nurtured by its people, which makes Okinawa a place where we want to stay together forever. Through our business activities, we aim to help solve social issues and, as a result, create a local community where the Okinawan people can continue to live with smiles on their faces. Of course, solving the social issues faced by Okinawa, such as population decline, poverty, and disaster risks, requires considerable time and effort. Yet our employees carry within them a deep love for Okinawa that drives them to continue tackling such challenges with determination.

"All for Okinawa!" Back in Our Corporate Logo

I believe that the phrase "All for Okinawa!" succinctly expresses the corporate principle, set forth at our foundation, of "contributing to the development of Okinawa's economy." Guided by this slogan, we have expanded our efforts beyond the telecommunications business to fields essential to the community, such as medical care, education, transportation, and energy. I believe this slogan has been a meaningful expression for our employees, symbolizing their strong commitment to contributing to the local community.

Since becoming President, I have had more opportunities to exchange opinions with local residents, and some of them greet me by saying, "All for Okinawa!" is such a wonderful phrase. Why did you stop using it recently?" Many applicants in job interviews also say that they were drawn to our company by the slogan "All for Okinawa!," which inspired their desire to join us. The same is true not only for students, but also for mid-career applicants who have returned to Okinawa through U-turn or other forms of regional employment. At first, I wondered how they knew

Message from the President



this slogan, which we had not used for some time, but I later learned that our HR recruitment staff had a strong attachment to the phrase and had been actively using it on recruitment websites and other materials. This reaffirmed my belief that heartfelt words have the power to deeply resonate with people's hearts.

Communicating Our Value Creation Story that Connects Financial and Non-Financial Aspects

Since fiscal 2023, we have published our Sustainability Report and, in the following year, became the first company in Okinawa Prefecture to issue a TNFD Report. Through these efforts, we have been actively engaged in disclosing non-financial information. This year, we have evolved our report into the Integrated Sustainability Report. Okinawa Cellular is a company that contributes to solving regional issues in Okinawa through its business, while continuing to grow. Our initiatives in the areas of E (Environment), S (Society), and G (Governance), which we have reported in our Sustainability Report, are directly linked to enhancing our corporate value. Going forward, we will focus on connecting our financial and non-financial narratives to clearly communicate our medium- to long-term value creation story.

As this is our first Integrated Sustainability Report, we have sought to clearly present our commitment to achieving harmony among the local community, the environment, and the economy. What we particularly wished to convey is that Okinawa Cellular is not merely a telecommunications company, but one that is genuinely committed to solving regional issues, preserving natural capital, and passing it on to future generations. We believe that these efforts serve as the source of our medium- to long-term corporate value for our shareholders and investors, and as the foundation of trust and empathy in the local community.

All Targets under the Previous Mid-Term Management Plan Achieved

Fiscal 2024 was the final year of the previous Mid-Term Management Plan, during which we worked together as one to achieve our targets. As a result, we achieved all of our numerical targets, including the "3 increases (in revenues, income, and consecutive dividends) three increases" and a dividend payout ratio of over 40%. In fiscal 2024, we recorded our 13th consecutive year of profit growth and our 24th consecutive year of dividend increases, with the dividend payout ratio reaching 47.6%.

During the year, we developed demand for our solution businesses, such as solving regional issues and supporting corporate DX initiatives, achieving a 24% increase in revenue from the previous year and meeting our Medium-Term Plan targets. In our core telecommunications business, competition has intensified, leading to a rise in the churn rate. However, we saw a net increase in the total number of mobile subscriptions, and since the turnaround in fiscal 2023, we have successfully maintained an upward trend in telecommunications ARPU (Average Revenue Per User).

Beyond our business performance, we also delivered results that exceeded expectations through initiatives aimed at creating multifaceted value for the local community. In the medical field, we participated in a telecommunications infrastructure development project for the University of the Ryukyus Hospital, which serves as the core of community healthcare, and built a system that enables the use of electronic medical records and nurse call functions through a smartphone application.

We are also contributing to strengthening regional telecommunications infrastructure through the use of the satellite communication service "Starlink." For instance, by introducing the service on vessels operated by RYUKYU KAIUN KAISHA, we secured a stable communication environment even during navigation, enhancing both operational efficiency and crew satisfaction.

In our decarbonization efforts, we deployed Sustainable Base Stations powered by solar energy and actively promoted the transition to renewable electricity using Okinawan resources. As a result, we achieved carbon neutrality in fiscal 2024, well ahead of our original target year of fiscal 2030. In environmental preservation, through the Okinawa Nature Conservation Project launched in 2021, we have been engaged in conservation activities in the Yanbaru region and in supporting AI-based biodiversity research.

Six Years of Building the Foundation for "Chimu-dondon Smart Islands"

We achieved results exceeding the targets under our previous Mid-Term Management Plan, which gave strong momentum to discussions leading up to the new Mid-Term Management Plan that started in fiscal 2025. A cross-functional team across the company held discussions on the direction of the Mid-Term Management Plan and developed the initial concept expressing our aspiration to enrich the future of the Okinawa Islands. This process helped define the direction of the new Plan to enhance corporate value, and through repeated discussions, we refined these ideas into "OCT VISION 2030." The Plan spans six years through fiscal 2030, extending the period from the three years of the previous Mid-Term Management Plan, as we recognized the need to take sufficient time to firmly establish a foundation for future growth.

The issues facing Okinawa are diverse and complex. To continue contributing to solving complex issues that cannot be solved easily, we must take on even greater challenges than ever before. Our employees have long taken on challenges for the benefit of the local community, but they will now be required to make further efforts, including transforming their work styles. Nevertheless, we aspire to help solve Okinawa's pressing issues through innovation centered on telecommunications and to create a society where local residents can live with pride, hope, and smiles. This aspiration is embodied in our vision of "Chimu-dondon Smart Islands."

Aiming to Double Sales to 30 Billion yen in Growth Areas

As specific management targets for fiscal 2030, we set goals such as achieving 100 billion yen in total sales and approximately doubling operating revenues in growth areas compared with fiscal 2024. Achieving these targets will hinge on pursuing a well-balanced approach between a stable foundation for core businesses and dramatic growth in growth areas.

The telecommunications business serves as both a key pillar of our revenues and a vital touchpoint with the local community. Furthermore, by further advancing telecommunications, we aim to realize connectivity anytime and anywhere and to build a smart future foundation that can deliver added value across all fields.

The growth areas have expanded mainly in the energy business through "au Denki," as well as in business services such as the solutions business, including supporting corporate and municipality DX

initiatives, the smart agriculture business, and the healthcare business, reaching a scale of 15 billion yen in sales in fiscal 2024. We aim to double this figure to 30 billion yen by fiscal 2030. In detail, we project to expand the energy business, which will enter the retail electricity market, to 14 billion yen, or 1.6 times the fiscal 2024 level, while expanding the overall business services to 16 billion yen, or 2.5 times the fiscal 2024 level.

In the business services, we will develop businesses with promising growth potential, further expanding the solutions business for private companies and municipalities, as well as the smart agriculture, healthcare, and other businesses. We also place emphasis on creating new businesses and intend to promote initiatives in collaboration with partner companies. As part of these efforts, in June 2024, we entered into the "Partnership Agreement on Promoting Sustainability in Remote Islands" with Okinawa Financial Group, Inc., The Okinawa Electric Power Company, Incorporated, and ten remote island municipalities. Working with partner companies to solve issues enables us to move forward with greater speed, thereby leading to further expansion of our growth areas.

The core businesses and growth areas are inseparable. Under our vision of supporting the digitalization of local communities through telecommunications, we will promote both "core" and "growth" initiatives in an integrated manner. For example, in "smart urban development" leveraging telecommunications infrastructure, we will work to digitalize entire communities through our communication networks and develop various technologies and services that can improve the efficiency of urban functions such as medical care, education, and energy.

We have added "Solving Social Issues in Okinawa" as a new management materiality this time. This highlights our recognition that future "urban



Message from the President

development” that embodies the wellbeing of Okinawa residents is a key management issue that we should address.

Cellular 6X (siks) Management, a Growth Foundation that Functions even in Unpredictable Times

We have defined “Cellular 6X (siks) Management” as a comprehensive approach to solving the issues facing Okinawa while pursuing significant corporate growth toward fiscal 2030. To strengthen our growth foundation that can function even in unpredictable times, we will drive transformation through six “X” initiatives. First, important among these is CX (Customer Experience), which represents the creation of customer-centric business model.

We also introduced EX (Employee Experience) to express organizational transformation that creates a self-driven work environment with excitement. The realization of EX will be supported by DX (Digital Transformation), by leveraging digital technologies, as well as by DayX (Day Transformation), which thoroughly visualizes operations to design new “work styles.” In addition, we have defined GX (Green Transformation), which aims at preserving Okinawa’s abundant nature while creating related businesses, and SX (Sustainability Transformation), which focuses on enhancing our sustainable earning power in step with Okinawa’s growth.



Fiscal 2025 as a Crucial “Preparation Period” toward Achieving the Mid-Term Management Plan Targets

Fiscal 2025, the first year of “OCT VISION 2030,” marks an extremely important step toward the future of Okinawa Cellular. It is essential that each employee fully understands the concept of Cellular 6X (siks) Management. By integrating the six “X” initiatives into their daily operations and linking them to their own roles, employees can drive behavioral transformation, thereby laying the foundation for future growth. As such, we have begun reviewing our daily operations and “cutting redundant tasks” through the “DayX” initiative to create a cycle that enhances added value.

Having expanded through business diversification, our company continues to grow steadily. To further enhance corporate value, it is vital to raise each employee’s perspective while increasing productivity. For this reason, we aim to firmly establish the DayX initiative within the organization at an early stage.

In our growth areas, a key focus for fiscal 2025 is the launch of the retail electricity business through au Denki. We will concentrate on building the foundation for monetization and expanding customer acquisition, while also promoting business development that addresses local needs, such as solutions, agriculture, marche, and healthcare, to increase revenue.

Creating Self-Driven Talent with “All for Okinawa!” Mindset

Our human capital strategy under the Mid-Term Management Plan is built on two pillars. The first is to instill the “All for Okinawa!” working mindset throughout the company, and the second is to pursue self-driven “work styles” through the DayX initiative. Based on these pillars, we will identify each employee’s area of expertise and provide opportunities to apply their skills toward solving regional issues and promoting local development at the organizational level. We also strive to build mechanisms that support employees’ professional growth and promote new value-added creation for the community. By fostering a virtuous cycle in which employee growth leads to value-added creation, we can enhance competitiveness and build a track record of achievements. These achievements, in turn, strengthen trust in our company and contribute to building social capital essential for sustainable value creation.

This transformation will require time and effort, yet I am confident that our employees can accomplish it. As we aim to achieve our target of 100 billion yen in operating revenues, we expect to increase the number of career hires. I believe that those who share our corporate philosophy of “All for Okinawa!” will proactively take on challenges as immediate contributors to Okinawa’s future.

When people hear “All for!” they may imagine working hard despite tough situations or making great efforts. However, the spirit I see in our employees who work “All for!” to resolve local issues is quite different. They act for their community naturally and proactively, without forcing themselves or feeling pressured. Rather than simply “working hard” for the local community, they are absorbed in contributing to it. I believe that this passion leads to greater results.

Diversity and a Field Perspective in Management

Following the Ordinary General Meeting of Shareholders held in June 2025, three new outside directors were appointed, further strengthening our management team to lead Okinawa Cellular in becoming a “company that grows together with the community.” Ms. Miki Fuchibe and Mr. Tatsuki Yogi possess deep insight into the economic and social conditions of Okinawa, and we expect them to bring both diversity and a field-oriented perspective to our management decisions through advice from a community-based viewpoint. Mr. Makoto Takahashi has long served in the management of the



KDDI Group and deeply understands the founding spirit of Okinawa Cellular. With a management philosophy cultivated under the guidance of the late Kazuo Inamori, who led the founding of our company and provided invaluable advice for many years as an outside director and advisor, we expect Mr. Takahashi to offer practical advice on achieving governance that balances our corporate philosophy with execution capabilities. Achieving sustainable growth requires management that does not focus solely on short-term profits. Our corporate philosophy, as well as one of Inamori’s management philosophies, “maximizing revenues while minimizing expenses,” still inspires us to aim even higher.

Fulfilling Our Responsibility as a Listed Company Born for Okinawa

Finally, returning to our founding spirit, Okinawa Cellular was established in 1990 at the suggestion of the late Inamori, founder of Kyocera Corporation and then-chairman of DDI Corporation (now KDDI CORPORATION), who proposed, “Why not establish a mobile phone company in Okinawa?” This led to the founding of the company, with joint investment by KDDI and 43 leading Okinawan companies. Since then, we have taken pride in supporting the daily lives and industries of Okinawa through the development of telecommunications infrastructure and the provision of community-based services. Our corporate philosophy, “Contributing to the development of Okinawa’s economy through our business” is not merely a slogan. It represents the very significance of our existence and lies at the foundation of all our management decisions.

As a company born for Okinawa, we have continued to invest in and pursue a secure telecommunications infrastructure that allows local residents to live with peace of mind. As a result, we have provided one of Japan’s most advanced telecommunications environments. We are often asked by investors about the appropriateness of our “parent-subsidary listing” with KDDI.

While respecting mutual independence and autonomy, we will continue to operate our business in collaboration with KDDI, striving to contribute both to the development of Okinawan society and to the enhancement of our corporate value.

Telecommunications Business



Senior Managing Executive Officer, Representative Director,
Head of the Technology Division

Ikuo Marugome

Building the Foundation for the Future and Solving Regional Issues through “No.1 in Network Quality” Created by Engineers Full of Love for Okinawa

Agility through Okinawa-Focused Operations

Okinawa Cellular is a comprehensive telecommunications company that makes no compromises on quality because of its deep roots in the local community. Our company is made up of members full of love for Okinawa who share the founding philosophy of “establishing a mobile communications company for the people of Okinawa, by the people of Okinawa.”

While most telecommunications companies in Japan operate on a nationwide scale as large organizations, we focus our telecommunications business exclusively on Okinawa Prefecture. As a result, our relative size is smaller, allowing us to act with greater agility and responsiveness. Such agility and responsiveness are vital in Okinawa Prefecture, which consists of many islands, and represent a major strength for a community-based telecommunications company like ours.

It is not unique to the telecommunications industry, but nationwide companies often tend to assume that delays in providing new services to regional areas

are unavoidable. Such disparities are unacceptable to us. Although the telecommunications business cannot be operated solely by one company and certain challenges exist in practice, we work in close communication with our parent KDDI to ensure that new services are also made available in Okinawa among the first in the nation.

Even the mobile communications environment is changing every day. For instance, in wireless communications, the construction of a single new building can affect surrounding signal conditions. In addition, Okinawa faces unique issues such as radio interference caused by military bases. That is why constantly managing network quality is crucial, and we swiftly capture regional developments and take proactive measures to address issues before they arise.

As a result, in October 2024, Okinawa Cellular was ranked No.1 in Network Quality in an analysis conducted by Opensignal Limited, a global mobile analytics company. We attribute this achievement not only to our own efforts but also to the strong partnerships and long-standing relationships of trust we have built with our local partners in Okinawa.

Enhancing Telecommunications Infrastructure through Early 5G Expansion to Small Remote Islands

In April 2025, we launched au Starlink Direct, a direct communication service connecting smartphones and satellites. We believe it is highly significant that this service was rolled out simultaneously across Japan, including Okinawa, which consists of many remote islands. The service can be used within Japan’s territorial waters up to about 22 km from the coast, offering connectivity even for small vessels that cannot be equipped with satellite communication infrastructure, using only a smartphone. This also provides reassurance as a means of communication in emergencies. Okinawa also has many areas where the environment must be preserved, such as the northern Yanbaru region of the Okinawa main island and Iriomote Island, both registered as natural World Heritage sites. Some of these areas remain outside the reach of conventional mobile networks. With au Starlink Direct, connectivity is now possible anywhere with a clear view of the sky, serving as an alternative means of communication in these areas.

Strengthening communication environments in remote islands remains one of our key initiatives going forward. In 2023, we made steady progress by jointly laying optical submarine cables to Ishigaki, Miyako, and Kume Islands with other companies, realizing the launch of 5G communication services. While newly building optical submarine cables for all remote islands presents challenges, we are exploring ways to overcome them by utilizing existing optical cables and collaborating with municipalities and other companies. We aim to expand 5G coverage even to small remote islands as early as possible and further enhance the telecommunications infrastructure.

Establishing Smart Telecommunications Infrastructure through Active Introduction of New Technologies

As stated in our Mid-Term Management Plan, the telecommunications infrastructure we envision for the future is a world where people remain connected “in real time,” even “on the move” or “on remote islands.” The COVID-19 pandemic accelerated the adoption of remote work and heightened the importance of communication in times of disaster. Today, telecommunications provide always-on connectivity and are recognized as an essential lifeline, as natural and indispensable to daily life as water and air. In recent years, demand for advanced communication quality has continued to grow, driven by the widespread use of data-intensive entertainment content such as online video calls, high-spec gaming,

and e-sports. Furthermore, Internet of Things (IoT) devices are becoming increasingly common in fields such as robotics and mobility, further expanding the role of telecommunications as a key element of social infrastructure. To create an environment conducive to developing solutions that help solve Okinawa’s issues, we intend to proactively introduce new technologies and establish smarter telecommunications infrastructure.

In Okinawa, the GW2050 PROJECTS, a value-creation initiative aiming to become a global gateway, is underway, against the backdrop of redevelopment in areas scheduled for military base returns. Okinawa Cellular, together with local companies and various organizations, is participating in redevelopment projects across the region. By incorporating the technologies and service platforms of our future infrastructure into new redevelopment projects, we believe we can help accelerate the realization of smart cities.

Pioneering Demonstrations of New Technology Services through Collaboration with KDDI

Okinawa Cellular is working in collaboration with its parent company, KDDI, to conduct pioneering demonstrations of new technologies and services. One example is video transmission using 5G network slicing. In autumn 2024, together with a local broadcasting company, we captured and live-streamed the “Naha Great Tug-of-War,” the main event of the Naha Great Tug-of-War Festival, using smartphone cameras. To further expand our technological capabilities in growth areas that contribute to solving Okinawa’s issues, we established the Next-Generation Technology Team in April 2025. While we have long been deepening our knowledge of applications of new technologies alongside our existing operations, this new team now works together with members of the sales division to advance these initiatives through to commercialization. Employees who improve internal work processes and achieve enhanced service quality or cost reductions are eligible for quarterly recognition awards, which also help motivate efforts to further improve productivity.

The telecommunications field, where technology continues to advance and has a profound impact on people’s lifestyles, evolves day by day, and those unable to adapt to change risk falling behind. While having a sense of urgency is important, even more essential is a mindset that embraces and enjoys change. What ultimately sustains this mindset is our love for our customers and for Okinawa.

Our engineers find great joy in solving Okinawa’s issues through their daily work and new challenges, and it is this group of engineers that underpins our achievement of No.1 in Network Quality.

Growth Areas

Executive Officer, Director,
General Manager of Sales Management Division

Kyuji Uechi

Fostering Long-Term Use of Life Design Services Centered on Customer Engagement

Extensive Customer Touchpoints Built on a Deep Understanding of Regional Characteristics

There may be slight differences in coverage areas or quality, our pricing structures and service offerings are identical to those provided by KDDI in other prefectures. Competition among mobile carriers remains intense, yet we have continued to steadily expand our number of contracts.

In general, companies with overwhelming market share are often seen as rivals to be challenged and tend to lose share. Why, then, have we been able to maintain such a high market share? We believe there are two main reasons.

One reason is that we are a telecommunications company deeply rooted in the local community. Our ability to implement effective campaigns and sales initiatives stems from our strong understanding of local characteristics. Collaborations with local companies are a prime example. We were among the first to become a gold sponsor of the RYUKYU GOLDEN KINGS, a local professional basketball team whose popularity has been rapidly rising, and we have carried out tie-up campaigns together. We believe that our dynamism in actively incorporating Okinawa's unique

content resonates with customers.

Another reason is the large number of our physical stores Okinawa has 66 au shops, which is more than double the number operated by other carriers. A distinctive feature of these stores is that they are operated by exclusive au agencies. In addition, our partnership with Lawson Okinawa, Inc., a local company, enables us to strengthen our outreach to customers beyond our existing base. While the shift toward online channels is accelerating nationwide, we remain committed to physical stores because we believe that direct, in-person engagement with local customers is extremely important. Our offerings extend beyond mobile communications to include life design services that are closely connected to daily life, such as "au Hikari Chura," a fiber-optic Internet service, "au Denki," "au Jibun Bank," "au PAY Card," and "Ponta Pass." To effectively propose such a diverse range of services, it is essential to maintain ample customer touchpoints and to understand customer needs through direct communication. Physical stores allow us to carefully provide personalized service proposals tailored to each customer, helping them develop a deeper understanding and greater sense of satisfaction. As a result, we have strengthened our relationships with customers, leading to greater use of multiple services

and the development of a highly engaged customer base.

Driving Regional Growth by Linking Issue Solving to Business Development

Sales Management Division, which I oversee, comprises two departments: the Personal Sales Department and the Business Design Department. The Personal Sales Department, which serves individual customers, is the backbone of our operations. Meanwhile, the Business Design Department focuses on corporate and municipal clients, and we have been strengthening this area in recent years to reinforce our business portfolio. Until fiscal 2024, it operated as the Solutions Department, providing solution proposals through telecommunications services and achieving significant results. One notable example is the health promotion project jointly conducted by Ginowan City, University of the Ryukyus, and our company. This initiative, which aims to build an urban operating system (OS) centered on healthcare, has attracted considerable attention. Going forward, we believe that co-creating business with our clients will be key, and therefore renamed the organization the Business Design Department to reflect this new direction.

Okinawa faces many issues that require resolution, and numerous development projects are being led by local governments. However, when mainland firms win these projects, the funds often fail to circulate within Okinawa, a situation that has raised concerns among local companies. We believe that taking a leadership role in driving such projects is something that other local companies also expect of us.

For this reason, our employees are required to possess project management capabilities, and this is one of the reasons we are proactively conducting mid-career recruitment from a variety of industries. We are very pleased that talented individuals from across Japan, who are motivated to contribute to the local community, have joined us. Our ability to attract



such talented individuals is supported by the fact that we are a listed company with a track record of strong performance.

Business opportunities for corporate and municipal clients also serve as an excellent platform for introducing new technologies and as hints for expanding our growth areas. Another important aspect is that business for corporate clients can also lead to the expansion of services for individual customers. The so-called B-to-B-to-C model, which refers to businesses for corporate clients that are designed for individuals, such as in tourism, mobility, and entertainment, is a prime example. For instance, JUNGLIA OKINAWA, a large-scale theme park that opened in July 2025 in the northern part of Okinawa Island, leverages the region's rich natural environment. Our company was responsible for building and operating its telecommunications infrastructure and security systems. Prior to the opening, traffic congestion around the park was a concern, and we helped address this issue by providing the KDDI Group's AI-powered on-demand transportation service "mobi."

By turning the resolution of Okinawa's social issues into business opportunities, we believe there remain countless ways for both the region and our company to continue growing together.



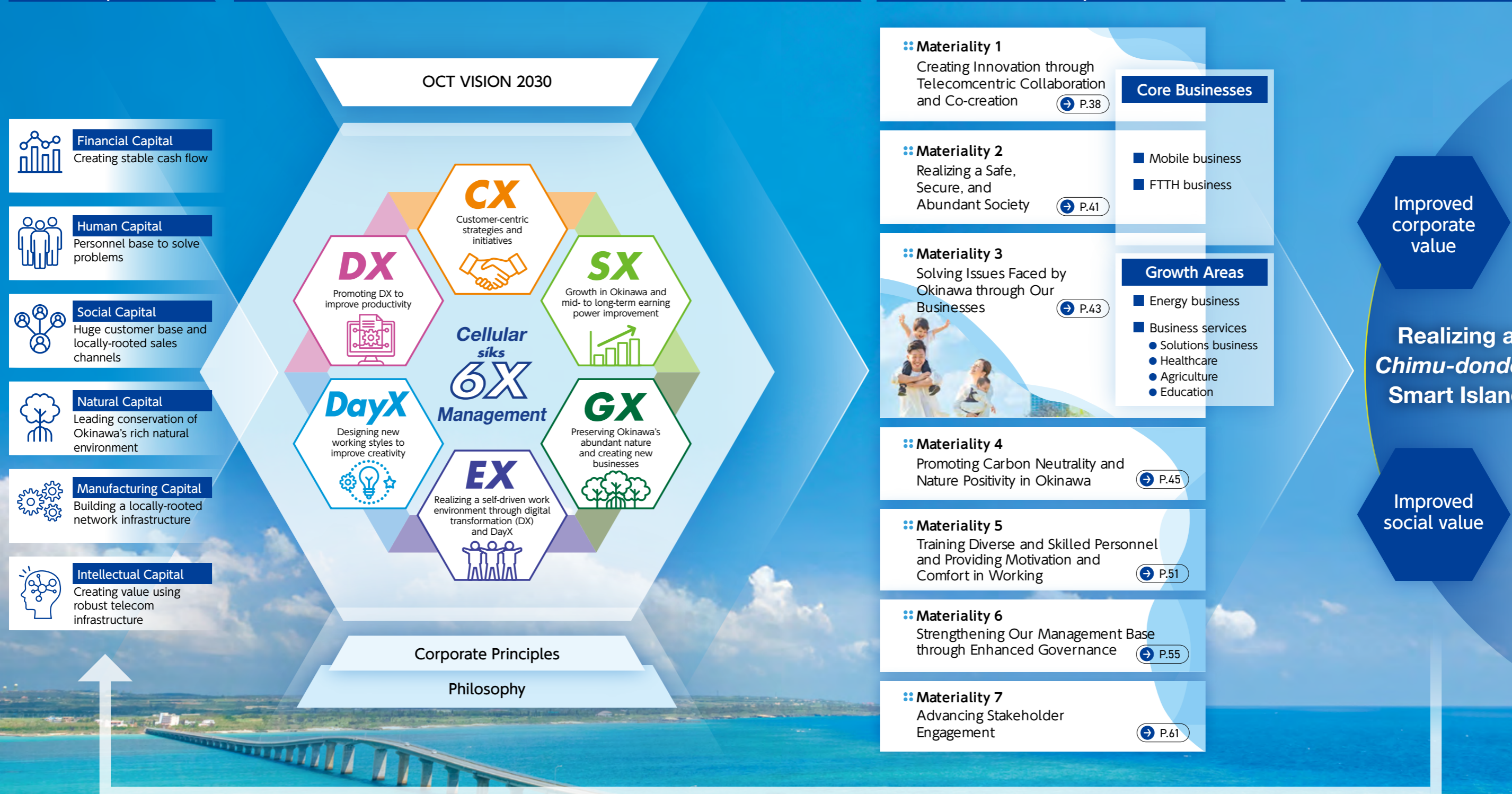
Value Creation Story

6 Issues Facing Okinawa Prefecture

- Medicine (health/welfare)
- Education (quality, eliminating discrepancies)
- Transport infrastructure
- Population decline (worker shortages)
- Poverty (child poverty)
- Conservation and climate change

Okinawa Cellular positions six key social issues faced by Okinawa Prefecture, including medical care, education, and transport infrastructure, as the foundation of its value creation story. Under the “Cellular 6X Management” framework set forth in our Medium-Term Management Plan “OCT VISION 2030,” we are advancing business activities that contribute to solving these issues through our core businesses, including the mobile and FTTH businesses, as well as our growth areas, such as the energy business and business services. Through these initiatives, we aim to realize a “chimu-dondon” Smart Island as our outcome.

Input Business Activities Output Outcomes



Human Capital Strategy

Becoming a True “Cellular” — Because We Love Okinawa —

“Cellular” represents the fundamental character of our employees — individuals who, with a deep love for Okinawa and a “chimu-dondon” spirit of excitement, contribute to the local community while refining their strengths and growing with resilience. For Okinawa, for the “Uchinanchu,” the Okinawan people, and for the future of the region. Because we are a company of people who hold this passion, we believe we can create a future that makes Okinawa “chimu-dondon” with excitement.



Direction of Human Capital Strategy toward OCT VISION 2030

With the theme “Enriching the islands’ future with new value — All for Okinawa! Okinawa Cellular” under OCT VISION 2030, Okinawa Cellular aims to achieve operating revenues of 100 billion yen by driving dramatic expansion in its growth areas.

To realize this goal, it is essential to redefine the “All for Okinawa!” spirit, which has been rooted in the deep love for Okinawa since the Company’s founding, as a core mindset shared by every employee.

Furthermore, we seek to establish “self-designed

work styles” as our standard way of working, enabling each employee to autonomously design their work styles and enhance productivity. By doing so, employees can bring together their individual strengths

and work as one team to maximize corporate value. Our human capital strategy is structured around the following three pillars.

- 1. Deepening the “All for Okinawa!” Mindset**
Fostering human capital and cultivating an organizational culture driven by a deep love for Okinawa and a motivation to contribute to the local community
- 2. Establishing “DayX,” Where Employees Autonomously Design Their Work Styles**
Promoting a work style that increases creative time by streamlining routine operations
 “DayX,” short for “Day Transformation,” is a term uniquely coined by Okinawa Cellular. Promoting the DayX initiative, we aim to eliminate unnecessary tasks in routine operations to improve efficiency and utilize the time gained to engage in activities that create new value. Driven by a sense of teamwork and excitement, employees actively take the initiative in improvement and innovation, with the aim of enhancing both operational efficiency and added value. We refer to the series of DayX initiatives as the “Chimu-don Spiral.” This is an upward cycle consisting of six stages: (1) creating time margin, (2) collaboration and co-creation, (3) personal ownership and empathy, (4) creativity and chimu-dondon excitement, (5) achievement and growth, and (6) the next leap forward. Grounded in employees’ positive mindset and real communication, this cycle enhances self-motivated creativity through creative work, enabling the simultaneous growth of both individuals and the Company.
- 3. Developing Each Employee’s Core Skills**
Providing continuous support for skill enhancement and reflecting results in evaluation systems to strengthen each employee’s core skills (strengths) and autonomy
 To implement the direction set forth above in the human capital strategy, Okinawa Cellular has set Creative Productivity as its Key Goal Indicator (KGI). Progress is visualized through Key Performance Indicators (KPIs) for each initiative, as we move steadily toward the realization of OCT VISION 2030.



Human Capital Strategy KGI (Creative Productivity)

Okinawa Cellular aims to achieve operating revenues of 100 billion yen by driving dramatic expansion in its growth areas. To realize this strategic goal, we have established a KGI to measure the effective utilization and investment efficiency of human capital. This KGI quantitatively evaluates Creative Productivity of human capital by examining the relationship between the increase in operating revenues and the amount of human capital investment per employee.

The increase in operating revenues serves as a key performance metric, showing how much sales have grown compared with the previous fiscal year. It reflects the results of initiatives such as acquiring new customers, strengthening relationships with existing customers, and improving the quality of products and services.

Meanwhile, human capital investment per employee is defined comprehensively to include not only conventional personnel expenses but also training and development costs, thereby capturing the total amount of investment required for human capital development. This framework allows us to appropriately evaluate the effectiveness of strategic, medium- to long-term investments in human capital development. Through this KGI, Okinawa Cellular aims to optimize human capital investment and build a foundation for sustainable growth.

$$\text{Creative Productivity} = \frac{\text{Increase in Operating Revenues (year-on-year)}}{\text{Human Capital Investment per Employee [(Personnel Expenses + Training and Development Costs) / Number of Employees]}}$$

Measures to Realize the Direction of the Human Capital Strategy

1. Organizational and Personnel System Reforms

1) Transforming Managers' Management Styles and Redefining Roles and Results

(1) Transition to a "Theme-Sharing Management" Style

Current Issues Recognized

To date, Okinawa Cellular has grown under a "playing manager" style, where managers themselves take the lead in driving their subordinates toward ambitious performance targets.

Behind this style's success, however, there may have been side effects, such as not fully drawing out each subordinate's "aspirations" and potential.

To achieve the ambitious targets of OCT VISION 2030, it is essential to transition to what we call a "Cellular All-Out Effort." To realize this, we recognize the need to transform and evolve our management style — beyond simply pursuing organizational objectives and targets — into one that shares each employee's aspirations, fosters mutual understanding of roles and responsibilities, and promotes collaborative efforts to solve issues and achieve goals.

Our Approach

To realize OCT VISION 2030, it is vital for each employee to maximize their potential and strengths. The key to unlocking this potential lies in each employee's aspirations that are linked to Okinawa Cellular's philosophy and its spirit of "All for Okinawa!"

Okinawa Cellular's philosophy represents the fundamental mindset of our employees, rooted in our founding aspirations, and aims to cultivate a corporate culture that balances contributions to the local community of Okinawa with the delivery of value to our customers.

Based on this philosophy, we strive to align each employee's aspirations with those of the entire team, fostering a shared sense of excitement that empowers us to break through challenges and achieve even greater results. Okinawa Cellular's "Theme-Sharing Management" style creates such a team.

We will build an organizational culture where we continue to take on challenges while sharing our aspirations and objectives, bringing together the full strength of all "Cellulars" to maximize corporate value.

(2) Redefining the Role of Managers

We redefine the role of managers from "playing managers" who lead their subordinates toward ambitious performance targets to managers who draw out each subordinate's aspirations and support their growth. To that end, we will implement the following measures:

- Executing management practices that emphasize sharing aspirations and presenting visions aligned with them
- Upgrading the personnel evaluation system to establish a framework that enables managers to focus on supporting subordinates' growth
- Developing support tools to facilitate the efficient and effective implementation of "Theme-Sharing Management"

2) Developing a Business-Driven Organizational Structure (Human Capital Optimization)

We will promote an approach to flexibly and dynamically optimizing our organizational structure and human capital portfolio in accordance with business progress and change.

To achieve the goals of OCT VISION 2030, we will formulate an organizational development and personnel allocation plan by working backward from the year 2030. By flexibly adjusting our organizational structure in line with each phase of business progress, we will build a framework that supports dramatic growth.

In particular, to promote the active appointment of women and younger employees to leadership roles, we will right-size and streamline each organizational unit to maximize decision-making speed and leadership opportunities. Furthermore, to achieve optimal allocation of human capital, we will implement the following measures:

- Visualizing the As-Is/To-Be Gap in the human capital portfolio: Clearly identify the gap between the current and ideal human capital structure and timely implement necessary staffing actions to fill the gap.
- Clarifying human capital requirements and visualizing employee characteristics: Define the human capital requirements for each organization and visualize each employee's core skills (strengths) and behavioral characteristics to ensure optimal allocation.

Through these initiatives, we aim to balance strategic human capital allocation with organizational flexibility, thereby maximizing the utilization of human capital toward the realization of OCT VISION 2030.

2. Human Capital Development and Career Support

1) Strengthening Support for Autonomous Career Development

We will establish an environment where each employee can design and choose their own career path.

- Further enhancing mindset and skills training programs
- Visualizing each employee's core skills (strengths), qualifications, behavioral tendencies, and career orientation
- Promoting self-directed placement and position selection to optimize both career paths and assignments

2) Implementing and Advancing "DayX" and Developing DX (Digital Transformation) Talent

Through DayX, we are transforming each employee's daily work styles while valuing happiness and work-life balance, aiming to create a company where everyone feels fulfilled in their work. At the same time, DayX is an initiative that contributes to the Company's growth and to the development of the local community through our All for Okinawa! spirit.

Employees proactively promote the DayX initiative, boldly eliminating unnecessary tasks in routine operations ("cut") to improve efficiency, using the time gained to engage in creating new value through team collaboration ("create"). They also aim to further expand these initiatives. By doing so, they break away from conventional practices and proactively take the initiative in improvement and creative work driven by a sense of teamwork and excitement, realizing significant gains in both operational efficiency and added value.

At Okinawa Cellular, we refer to the series of DayX initiatives as the "Chimu-don Spiral." "Chimu-don" is a coined expression derived from the Okinawan word "chimu-dondon," which conveys a feeling of excitement.

This Spiral consists of six stages: i) Creating Time Margin — Generating capacity for new challenges; building on this, we advance to ii) Collaboration and Co-creation — engaging in creative work based on positive mindsets, real communication, and mutual support; through these, we foster iii) Personal Ownership and Empathy — taking ownership of one's work and challenges, and engaging proactively; furthermore, we nurture iv) Creativity and Chimu-dondon Excitement — a desire to take on new challenges, driven by excitement gained through creative work.

Examples of Chimu-dondon (Exciting) Creative Work

- **Observing and Understanding On-site:** Visiting sites, feeling the atmosphere, and listening to people's voices — there are always untold "stories" that data alone cannot capture. The key to creativity often lies in these real experiences.
- **Designing Future Visions and Plans:** The future is not something to predict, but something to envision and create. Like building a bridge between ideals and reality, we design the unseen future of Okinawa with imagination and vision.
- **Deeply Exploring Aspirations and Motivation:** Asking "Why are we doing this?" leads to discovering the starting point of creativity. By verbalizing inner passion, both individuals and organizations can clarify driving forces behind their actions.
- **Uncovering Customer Insights:** Capturing unspoken aspirations that lie beyond explicit needs. Through observation and empathy, we creatively explore and uncover the true value.
- **Verifying the Effectiveness of Initiatives:** Creativity is refined through cycles of hypothesizing, executing, and reviewing. Even failures become seeds for the next creation.

- **Converting Tacit Knowledge into Explicit Knowledge:** Transforming "unspoken knowledge" based on individual experiences and intuition into shareable knowledge, expanding creative insight from individuals to the organization and local community.

Through these initiatives, employees experience both individual and team-based achievement and growth — v) Achievement and Growth. Fueled by the sense of accomplishment and excitement gained from these experiences, they naturally take on the next challenge — vi) The Next Leap Forward, generating an upward, continuous spiral that leads to renewed opportunities for i) Creating Time Margin.

To sustain and further advance this DayX "Chimu-don Spiral," the development and retention of DX human capital are essential. In October 2023, Okinawa Cellular obtained the DX Certification from Japan's Ministry of Economy, Trade and Industry (METI). This certification recognizes companies as DX-Ready— those that have established the necessary foundations to promote business transformation through digital technology. We will continue to renew this certification and remain committed to strengthening our initiatives and aligning with the latest DX standards.



To further enhance our DX promotion capabilities, we actively encourage employees to acquire the DX Promotion Passport, a digital skill certification (digital badge) awarded to individuals who have passed three foundational examinations in IT, data, and AI. By obtaining this qualification, employees can improve their digital literacy, enabling smoother collaboration with engineers and easier adaptation to new digital tools. It also accelerates DX-related decision-making and visualizes IT proficiency across the organization, enabling more efficient identification of organizational challenges. Through training programs and study sessions, Okinawa Cellular is also standardizing AI tool utilization skills, thereby expanding and strengthening its pool of talent capable of leading DX across the organization.

Overview of the Mid-Term Management Plan (Fiscal 2025–Fiscal 2030)

OCT VISION 2030

Enriching the Islands' Future with New Value All for Okinawa! Okinawa Cellular

Since our founding in 1991, we have achieved sustainable growth thanks to the support of the people of Okinawa. With the desire to once again embrace our founding aspirations and stand by the people of Okinawa, we have formulated OCT VISION 2030, aiming to enrich the future of Okinawa.

To realize the vision we aim for by 2030, we announced a new Mid-Term Management Plan in May 2025. We will promote management strategies aimed at sustainable growth, striving to realize “Chimu-dondon Smart Islands.”



Cellular 6X (siks) Management, Consisting of Six “X.”

Achieving the vision we aim for requires transforming and strengthening our growth foundation. To this end, we have defined our management approach as “Cellular 6X (siks) Management,” consisting of six “X.” We place CX (Customer Experience) — reflecting our customer-centric approach — and EX (Employee Experience) — creating a self-driven work environment with excitement — at the core of our management. Through this Cellular 6X (siks) Management, we will lead the achievement of our Mid-Term Management Plan.



We Aim to Reach 100 Billion Yen in Operating Revenues by Fiscal 2030

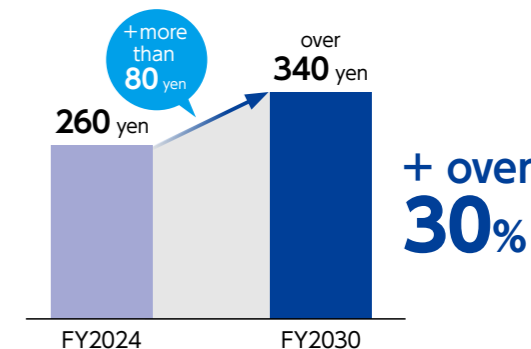
We aim to achieve operating revenues of 100 billion yen by fiscal 2030, as early as possible. Building on the stable growth of our core businesses, such as mobile and FTTH, we will dramatically expand growth areas including au Denki, digitalization support, and smart urban development. By fiscal 2030, sales in growth areas are expected to reach approximately 30 billion yen, establishing a more stable earnings foundation together with our core businesses.



Aiming for EPS Growth of over 30% Compared to Fiscal 2024

Financial target toward fiscal 2030

We aim to achieve earnings per share (EPS) of over 340 yen by fiscal 2030, up more than 80 yen from 260 yen in fiscal 2024, representing growth of over 30%. Through continued enhancement of corporate value, we will further strengthen shareholder returns.



Smart Future Infrastructure for Core Businesses

Taking 5G from the adoption phase to the growth phase Real-time connections on the move and on remote islands

Mobility future infrastructure
 Promoting advancements in mobility. 5G Standalone enhances communications on main roads.

Enhancements on remote islands
 5G area expansion in small remote islands. Fixing communication disparities and solving issues help revitalize life and business on the islands.

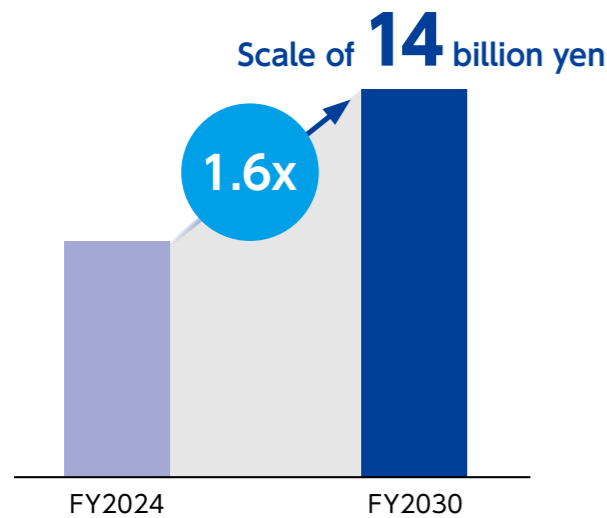
Pursuit of real-time performance
 Network that generates added value. Combining cloud with edge computing delivers real-time experiences like never before.

Mid-Term Management Plan (Fiscal 2025–Fiscal 2030): Key Initiatives

Growth Areas

Expansion of au Denki and business services will lead growth area sales to a scale of 30 billion yen (double fiscal 2024)

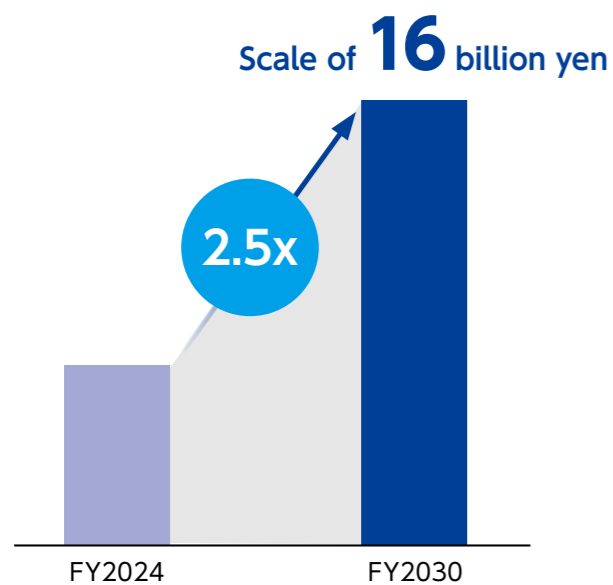
au Denki



Entering the retail electricity market to increase sales and improve profits

Okinawa Cellular positions the au Denki business as a key growth area and aims for further expansion as one of the pillars of its business growth. Having been registered as a “retail electricity provider” in May 2025, we entered the electricity retail business to offer optimal electricity plans tailored to the diverse lifestyles of Okinawa residents. We aim to achieve sales of approximately 14 billion yen by fiscal 2030, 1.6 times the level of fiscal 2024.

Business Services



Supporting digitalization in local communities and smart urban development

Another major growth area is the business services segment. Okinawa Cellular’s strength lies in its “community-based management” approach. We aim for dramatic growth by promoting community-based businesses that help resolve local issues, such as supporting digitalization and smart urban development. By fiscal 2030, we aim to achieve sales of approximately 16 billion yen, 2.5 times the level of fiscal 2024. With combined sales from the au Denki and business services businesses, total sales from growth areas are expected to reach around 30 billion yen.

Office Facilitation and Smart Urban Development

Achieving telecom-focused digitalization for customers
 Promoting “smart urban development” and creating new growth models

Office facilitation / Digital BPO



Okinawa Cellular develops its business services around telecommunications technologies. For corporate clients, we provide office facilitation services that offer a comfortable workplace environment and optimal telecommunications facilities. In addition, through the promotion of Digital BPO (Business Process Outsourcing) that leverages AI and other digital technologies to handle corporate business processes, we will strongly support our clients in improving productivity and driving digital transformation (DX).

Smart urban development

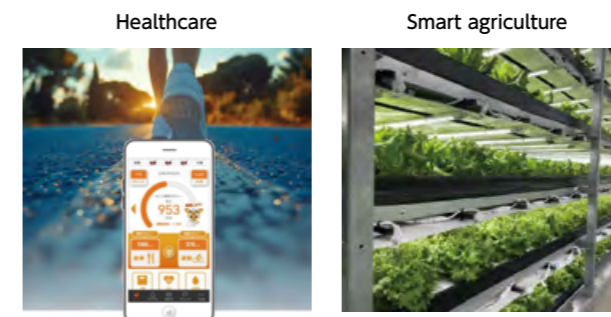


We will promote “smart urban development” for local governments by establishing platforms that connect communications and cities, thereby creating new growth models. By leveraging advanced technologies such as IoT and AI to solve various urban issues, we will realize urban development that enhances quality of life for residents. We will support smart urban development by harnessing digital technologies across a wide range of fields, including optimizing energy efficiency, improving mobility networks, strengthening disaster preparedness, promoting wellness, and improving educational environments.

Healthcare, Smart Agriculture, and New Business Fields

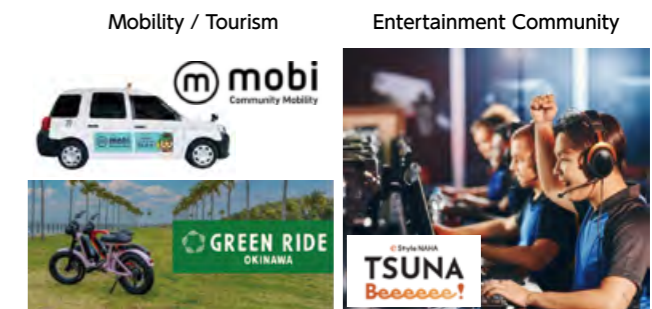
Realizing co-creation through stronger partnerships and promoting swift business development and expansion

Revenue growth in each business



In established growth areas such as healthcare and smart agriculture, we will further expand business revenue.

Development in new business fields



By building partnerships with companies that possess well-established expertise, we will promote business development in new fields such as mobility, tourism, and the creation of entertainment communities.

Business Strategy

Core Business Strategy

Mobile

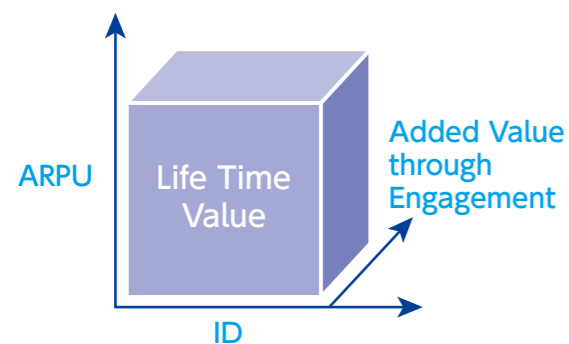
In our core businesses, which form the foundation of our overall business strategy, we are promoting a strategy that combines telecommunications and value-added services. By steadily achieving a net increase, we aim to expand the number of active IDs and enhance total mobile ARPU.

To achieve this, we will continue to improve our telecommunications infrastructure as the base, create new added value, and implement community-based

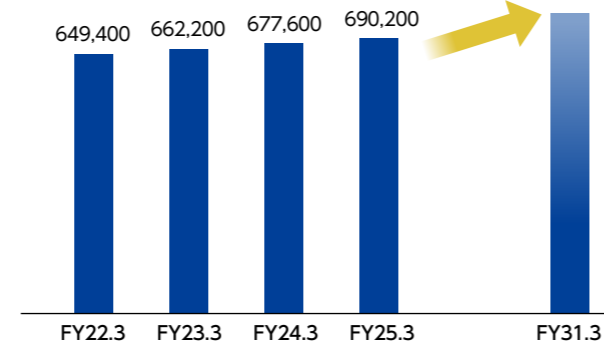
initiatives. We will aim to further enhance the overall appeal of our mobile services, for instance, through collaboration with Lawson Okinawa, Inc., by promoting the use of Ponta Pass across multiple channels and adding Okinawa-exclusive benefits. Furthermore, we will work to enhance customer engagement by encouraging customers to use our life design services that are closely connected to their daily lives.

Maximizing Revenues through a Telecommunications and Value-Added Services Strategy

IDs × ARPU × Engagement



Total Mobile Subscriptions (Contracts)



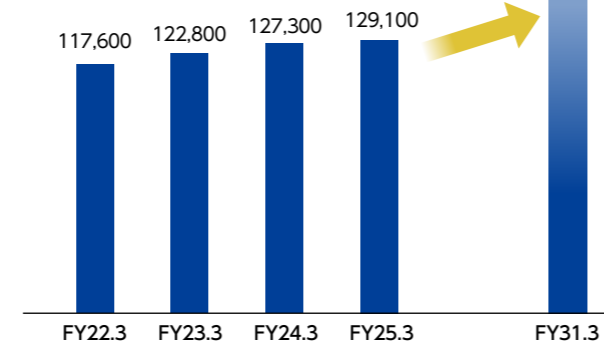
FTTH

From April 2025, Okinawa Cellular began offering the first FTTH services for individual customers in Okinawa Prefecture, "au HIKARI Chura Home 10 Giga" and "au HIKARI Chura Mansion 10 Giga." With growing customer needs for higher-quality video streaming and high-speed, large-capacity internet connections, we

launched these services to meet those needs.

The provision of the first 10 Giga services in Okinawa Prefecture represents a major advantage for the Company rooted in the local community. Going forward, we will continue to swiftly identify customer needs and provide customers with attractive services.

Total FTTH Subscriptions (Contracts)



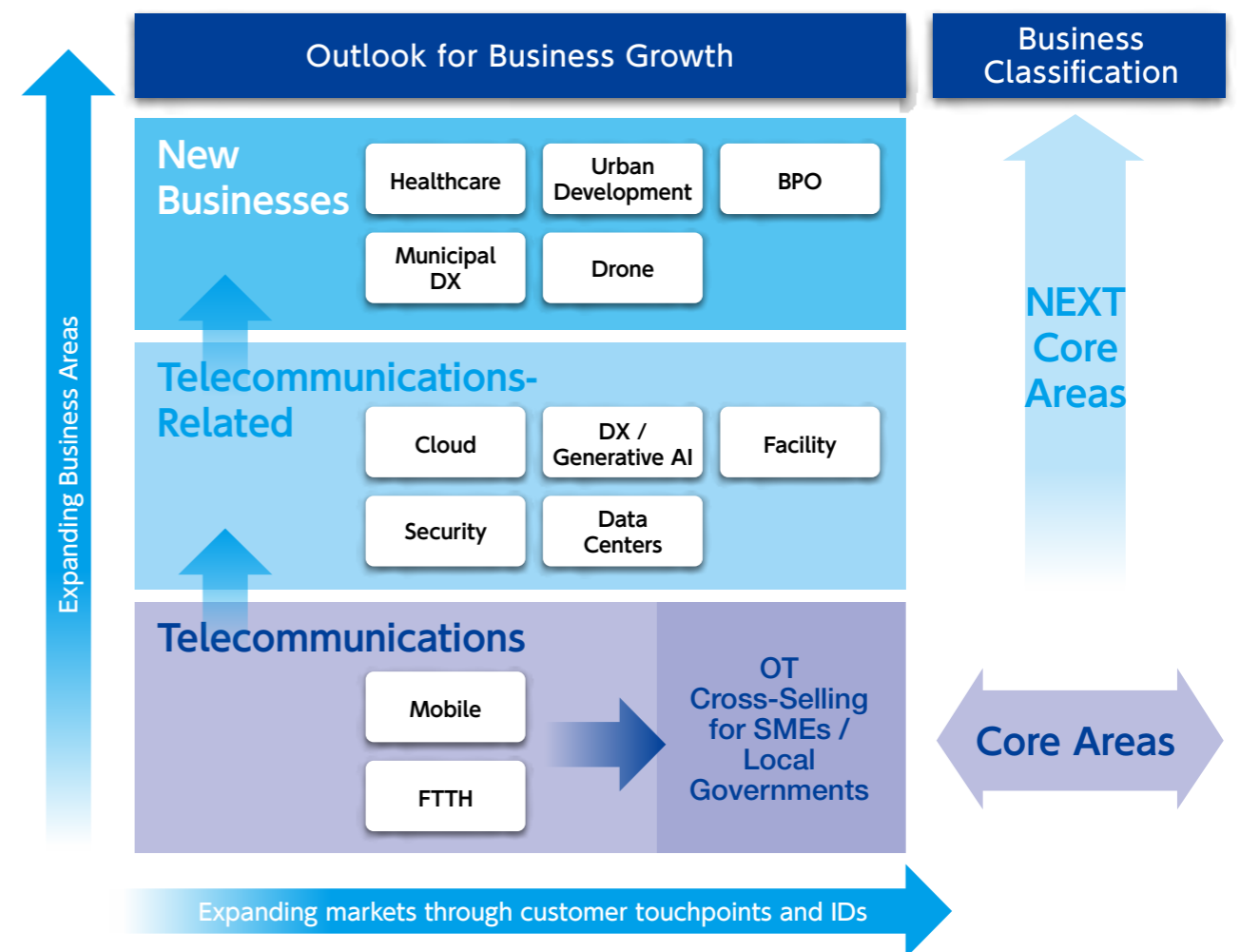
Overview of the Growth Strategy for the Business Services

Okinawa Cellular's business services are driven by two axes: vertical expansion of business areas and horizontal expansion of markets (customer touchpoints and IDs) to accelerate overall growth based on telecommunications services.

In the core areas, which form the foundation of our business services, we leverage our strengths mainly in mobile and fixed-line telecommunications to expand these businesses. We aim to expand IDs by increasing customer touchpoints through proposals to newly introduce these services to small and medium sized enterprises (SMEs) and local governments. We will also drive further sales growth by proposing cross-selling

focused on OTNet network services for existing mobile customers.

In the NEXT core areas, positioned as new business areas, we will develop telecommunications-related and new business fields. The telecommunications-related fields include highly related areas, such as cloud services, DX and generative AI, and security. The new business fields will cover a wide range of areas, including healthcare and municipal DX, which we have already begun working on, as well as urban development and mobility businesses such as drone operations.



Healthcare Strategy

[Example of Healthcare DX]

Health Checkup Center DX

Centered on its "JOTO Home Doctor" healthcare application, Okinawa Cellular is promoting healthcare digital transformation (DX) for medical institutions in Okinawa Prefecture and healthy urban development for local governments. As part of its healthcare DX initiatives, the Company is advancing DX support for health checkup centers. Specifically, it provides comprehensive support to health checkup facilities across the prefecture—from identifying operational issues to selecting and introducing systems for DX implementation, and improving operations after deployment.



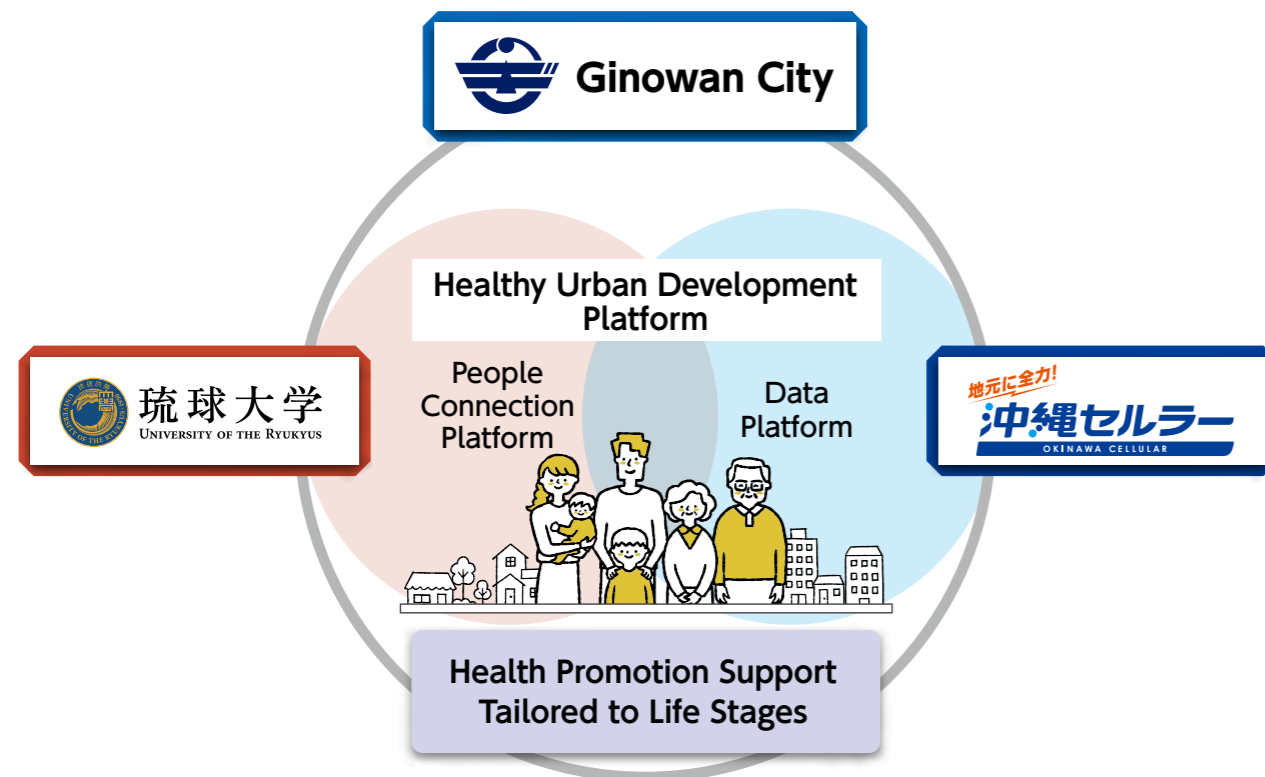
[Example of Healthy Urban Development]

The Ginowan Smart Health Promotion Project

As an example of healthy urban development, the Ginowan Smart Health Promotion Project was launched in 2024 through an industry-government-academia collaboration among Ginowan City, University of the Ryukyus, and Okinawa Cellular. The project aims to provide support tailored to each stage of citizens' health behavior by developing a healthcare application, improving the environment for health promotion hubs,

and enhancing the efficiency of municipal health checkup and guidance operations.

In addition, the project seeks to realize a smart city that optimizes residents' health promotion and medical services through the establishment of an urban operating system (OS) that links municipal and application data.



Urban Development Strategy

Okinawa Cellular is promoting smart and sustainable urban development through collaboration with local governments. Currently, the Company has been granted preferential negotiation rights for the private finance initiative (PFI) project — the Uruma City General Gymnasium Development and Operation Project — and is advancing this initiative to realize sustainable urban development.

In urban development, the Company contributes to the efficient and high-quality development of public facilities by providing facilities equipped with its strengths in telecommunications infrastructure and cutting-edge technologies such as smart AI cameras. Going forward, many public sports facilities are expected to enable functions such as motion analysis

for athletes, remote coaching through live streaming, and even practical training and match simulations using VR and AR technologies.

By utilizing these facilities as regional hubs, Okinawa Cellular also aims to propose smart urban development that allows residents to use gymnasiums, parks, and other facilities more conveniently, thereby contributing to revitalizing local communities.

The Company plans to use the initiative in Uruma City as a model case and proactively expand similar efforts to other municipalities across Okinawa Prefecture, further strengthening collaboration with local governments to realize sustainable urban development in more regions.

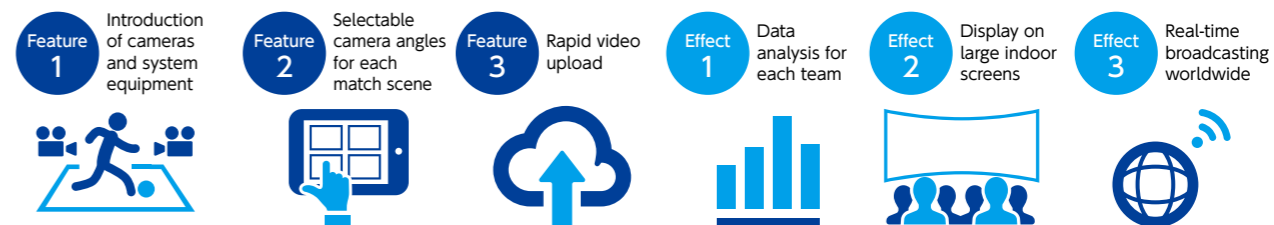
Creating Spaces for Citizens' Diverse Activities



Planning Facilities Where All Generations Can Engage in Sports

Promoting continued use through an arena fully equipped with analysis systems

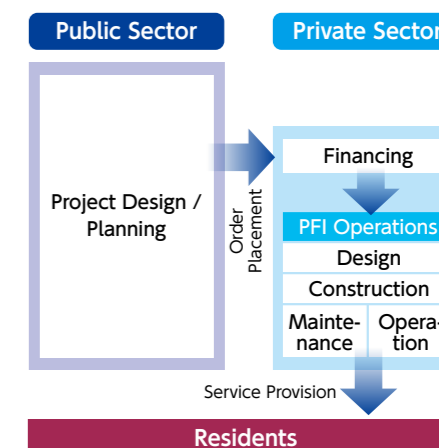
Introducing cameras specialized for sports analysis and using them for multiple purposes promotes continued utilization.



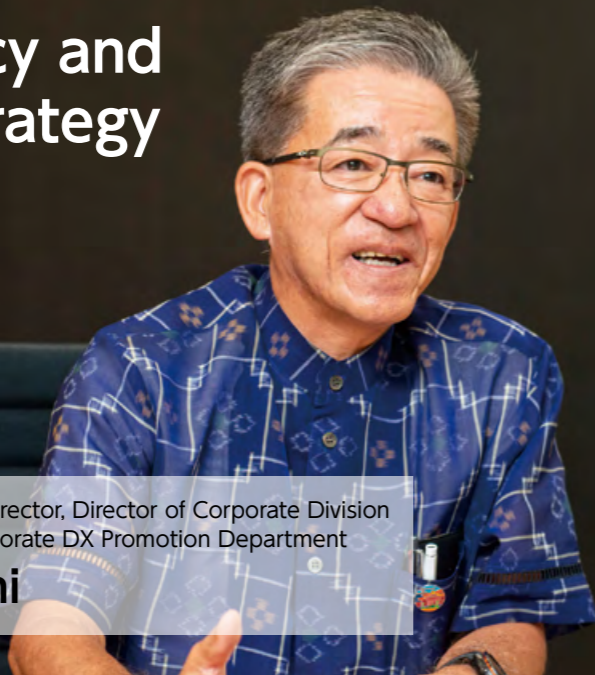
What is PFI (Private Finance Initiative)?

A PFI is a method that utilizes private funding, management expertise, and technical capabilities for the construction, maintenance, and operation of public facilities. This approach enables the provision of services of the same quality at lower cost, or higher-quality services at the same cost.

PFI Project



Capital Policy and Financial Strategy



Managing Executive Officer, Director, Director of Corporate Division and General Manager of Corporate DX Promotion Department

Hiroki Kuniyoshi

Delivering on Customer Needs with Polished Quality and Pursuing Increases in Revenues, Income, and Consecutive Dividends Built on a Solid Financial Foundation

Allocating Cash Flow to Strategic Investment and Shareholder Returns, Grounded in Our Existing Businesses

Okinawa Cellular's business is sustained by the customers across Okinawa who use our services. Steadily maintaining and expanding this customer base is essential for the continuity of our business. The operating cash flow generated from these activities will be allocated primarily to investments in existing businesses, while also being directed toward strategic investments for the future. The remaining portion will be used for shareholder returns. Under the current Mid-Term Management Plan, we project total operating cash flow of approximately 100 billion yen over six years. Of this, 36 billion yen will be invested in existing facilities, with the remaining 64 billion yen prioritized for growth-oriented strategic investments and allocated to shareholder returns.

We occasionally receive questions from investors regarding our parent-subsidiary listing relationship with KDDI. However, our independence is fully ensured, as both our founding background and operations in the Okinawa market are entrusted to us. We are confident that contributing to the regional development leads to value being returned to our stakeholders.

We are grateful to have maintained a robust financial foundation with a capital adequacy ratio exceeding 80%, while achieving high profitability with a return on equity (ROE) in the 12% range. "The 3 increases" (in revenues, income, and consecutive dividends) remain our key management policy under the current Mid-Term Management Plan, and we are steadily and sincerely working toward their realization each day. Furthermore, we will continue to maintain a dividend payout ratio of over 40%, while improving capital efficiency through flexible share buybacks to meet the expectations of our shareholders.

The reason we have been able to achieve such ambitious targets lies in our continued commitment to keeping the quality of our voice and data services polished, ensuring that the people of Okinawa can use them with confidence. Being a company headquartered in Okinawa allows us to be best positioned to prioritize the local communications environment. Through the trust we have built in this way, the mobile business, one of our core businesses, now enjoys strong support, holding approximately 50% market share within the prefecture. In addition, we are steadily implementing initiatives that contribute to enhancing corporate value through active dialogues with the equity market. As a result, our price book-value ratio (PBR), one of the

key indicators for share valuation, has surpassed 2x. Discussions at the Board of Directors also focus on share price levels, as we confirm policies aimed at further enhancing corporate value. Going forward, we will continue to meet customer needs and increase corporate value through dialogues with the market.

Strategic Investments and Expansion of Growth Areas to Enhance Corporate Value

Mobile and optical fiber internet communications businesses are built on a customer base centered on individual users. Looking ahead, however, it is also important for our strategic investments to emphasize developing businesses focused on the customer bases among local governments and corporate clients. We aim to make investments in businesses with a high degree of affinity to ours, integrating them into our Group. By executing bolt-on M&A that generates synergies while complementing our existing operations, we seek to expand our business areas and turn such an initiative into a key driver of growth. Unlike entering entirely unknown areas, investing in adjacent fields helps reduce the risk of capital impairment and contributes to higher capital efficiency.

Another strategy focuses on urban development in growth areas, with our telecommunications business at the center of them. In Okinawa Prefecture, local governments are allocating budgets to improve urban facilities, which require telecommunications infrastructure. Such infrastructure, in turn, enables the creation of a wide range of new services. Providing services directly connected to residents represents our vision of "Smart Islands." To that end, we collaborate with local governments, sometimes through joint ventures, to take the lead in driving these initiatives. For example, in Haebaru Town, Okinawa's first on-demand ride-sharing service "mobi," which uses an application and smartphones, was introduced in July 2024.

We plan to double sales in our growth areas from approximately 15 billion yen in fiscal 2024 to around 30 billion yen in fiscal 2030. At present, in addition to smart urban development, we aim to revitalize our retail electricity business, au Denki. We also intend to promote agile business development in existing businesses such as healthcare and smart agriculture that contribute to solving issues in Okinawa, by expanding collaboration with local partners and advancing co-creation.

Promoting Carbon Neutrality and Nature Positivity as Our Mission

Promoting carbon neutrality and nature positivity in

Okinawa is one of our highest priorities and a mission where we believe continuous efforts are essential.

We achieved carbon neutrality in fiscal 2024, ahead of our original target year of fiscal 2030. However, as land available for renewable energy installations on our own properties is limited, we need to expand deployment beyond our premises. In addition to installing solar power systems on the rooftops of existing buildings and on unused farmland, we plan to work together with local governments to introduce measures suited to Okinawa's natural environment, such as adopting perovskite solar cells, introducing wind power generation, and utilizing deep ocean water.

As part of our biodiversity initiatives, we are engaged in a regeneration project for the umishobu (*Enhalus acoroides*) seagrass, an endangered species, in the Nosoko area of Ishigaki Island. Through this initiative, the area has been designated as Okinawa Prefecture's first Nationally Certified Sustainably Managed Natural Site, awarded by Japan's Ministry of the Environment. We see significant potential in such initiatives that both contribute to environmental conservation and create economic value, and we are considering forming new projects that involve local companies.

Contributing to Okinawa's Future through "Chimu-dondon" Work

As our business continues to expand into more diverse areas, securing and developing human capital has become increasingly important. We are joined by individuals who share our aspirations for contributing to Okinawa's development and have demonstrated their expertise across various industries and fields. After joining the Company, they are encouraged to address Okinawa's issues, and we provide strong support as they work toward solutions. Human capital with diverse skills is one of our strengths. We aim to further enhance this strength by creating an environment and providing opportunities that allow each individual to demonstrate their skills and abilities.

Our ideal organizational culture is to continue upholding a corporate culture in which every employee takes pride and finds their work rewarding, while co-creating value together with the local community. This culture is rooted in our founding philosophy of "For Okinawa," and based on our belief that the source of sustainable growth for any company lies in its people.

In recent years, team-based projects have increased, and we have renovated our office spaces to introduce team-oriented flexible seating that facilitates collaboration. As one team, we will contribute to Okinawa's future through inspiring "chimu-dondon" work.

Financial Strategy

Financial Policy (Cash Allocation) toward Fiscal 2030

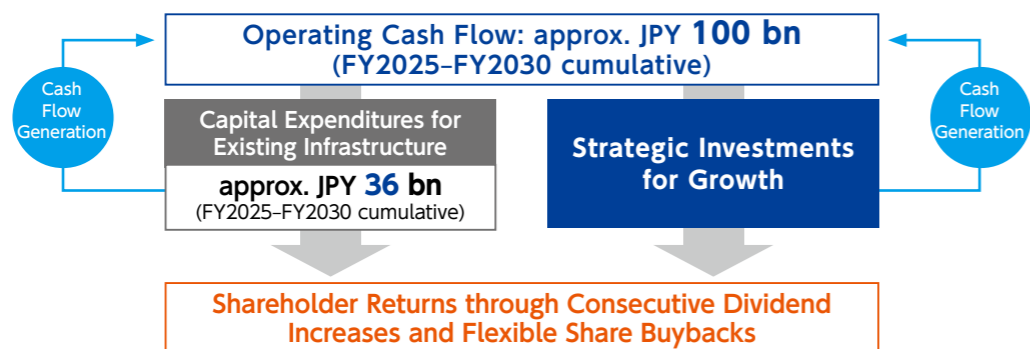
Okinawa Cellular aims to expand its operating cash flow to approximately 100 billion yen on a cumulative basis over the period from fiscal 2025 to fiscal 2030. This policy represents an important strategy to accelerate business growth and enhance corporate value.

How we allocate this ample cash flow will be the key to our growth strategy. First, to further strengthen our telecommunications infrastructure, we plan to allocate a cumulative 36 billion yen for capital expenditures. Reinforcing our existing telecommunications infrastructure will serve as a driver for generating stable and sustainable cash flow.

The remaining 64 billion yen will be allocated to investments in growth areas and shareholder returns. Investments in growth areas will focus on fields that have synergies with our telecommunications business, aiming to secure new revenue sources and enhance our business growth potential. Along with investments for growth, we will continue our track record of dividend increases for 24 consecutive fiscal years and implement flexible share buybacks to deliver shareholder returns. By executing this cash allocation, we aim to improve capital efficiency and further strengthen our relationship of trust with the market.

Financial Policy (Cash Allocation) toward FY2030

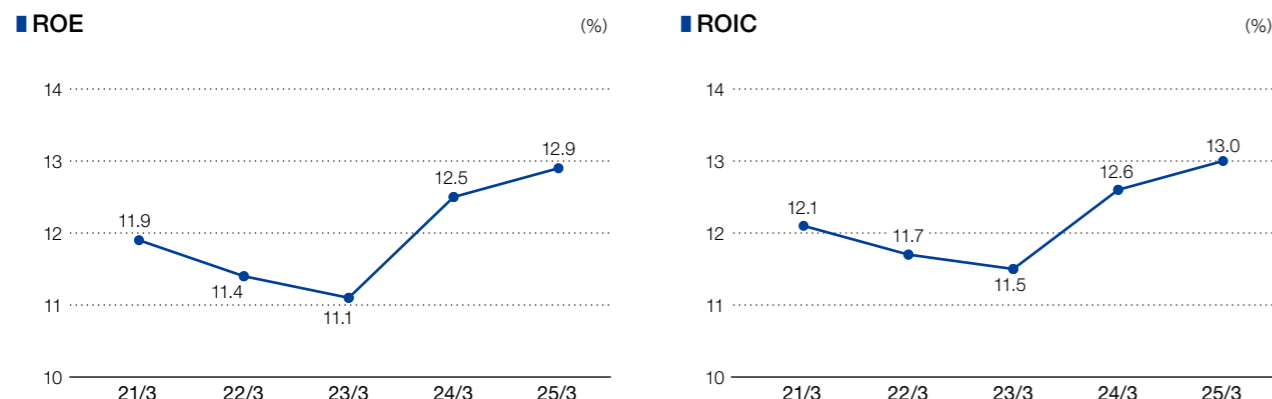
Boldly executing growth-oriented strategic investments in growth areas and new businesses. Improving capital efficiency and strengthening market trust through impactful shareholder returns.



Focus on Enhancing ROE and ROIC*

For our financial indicators, we place emphasis on enhancing return on equity (ROE) and return on invested capital (ROIC). Both indicators have remained consistently above our cost of capital and have turned upward since fiscal 2023. Going

forward, we will continue to pursue efficient use of shareholders' equity while maintaining this trend. Through these initiatives, we aim to achieve sustainable enhancement of corporate value.

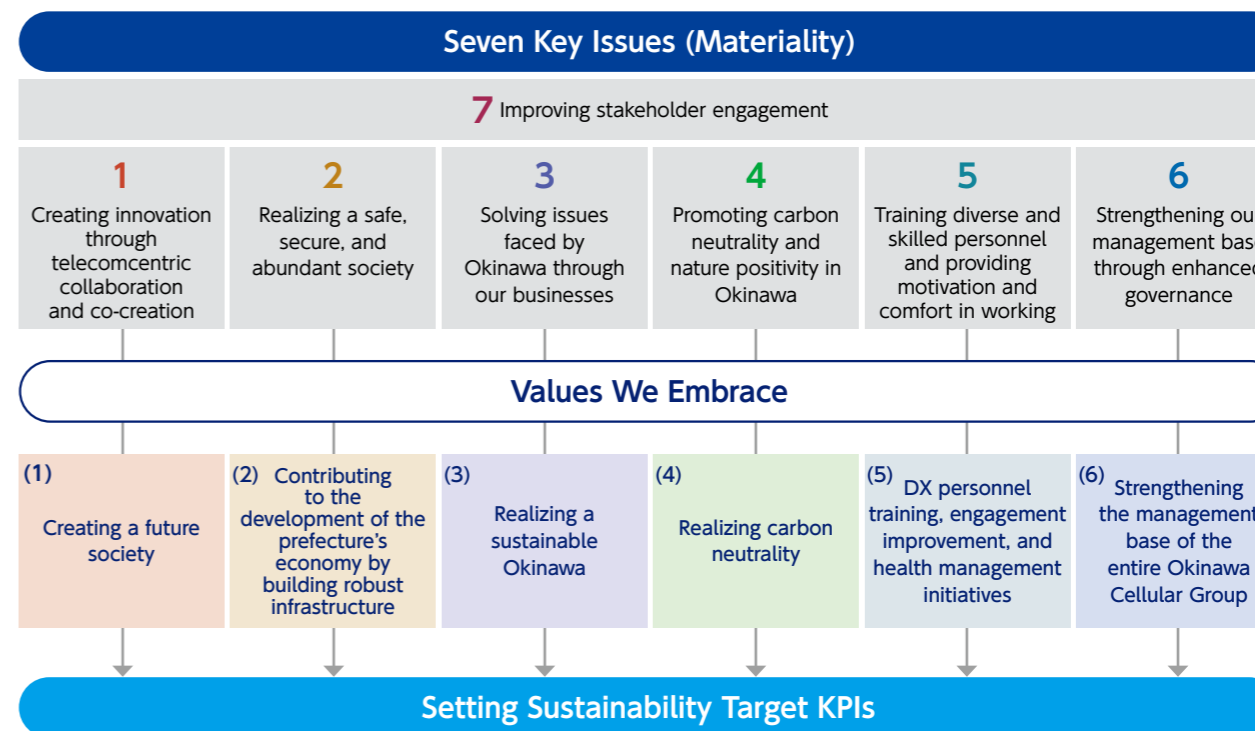


* ROIC = NOPAT (Net Operating Profit After Tax: Operating profit – Total corporate taxes) / Invested capital (Interest-bearing debt + Equity [excluding non-controlling interests]). Invested capital is calculated based on the average balance at the beginning and end of the period.

Materiality (Key Issues)

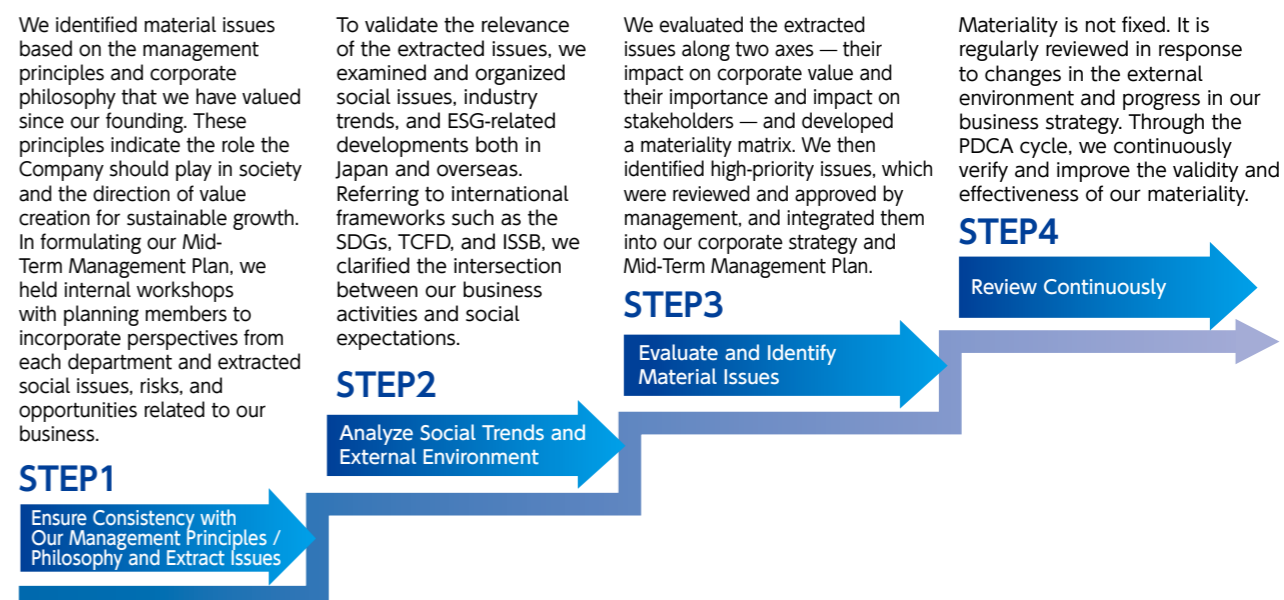
Seven Material Issues (Key Issues)

We have identified seven material issues (key issues) to which we should give priority for solving various social issues through our core business. We will work to contribute to the growth of a sustainable society, increase our corporate value over the medium to long term, and become a driving force in the Okinawan economy.



Materiality Selection Process

As a member of the KDDI Group, we have identified our key issues (materiality) through the following process.



We identified material issues based on the management principles and corporate philosophy that we have valued since our founding. These principles indicate the role the Company should play in society and the direction of value creation for sustainable growth. In formulating our Mid-Term Management Plan, we held internal workshops with planning members to incorporate perspectives from each department and extracted social issues, risks, and opportunities related to our business.

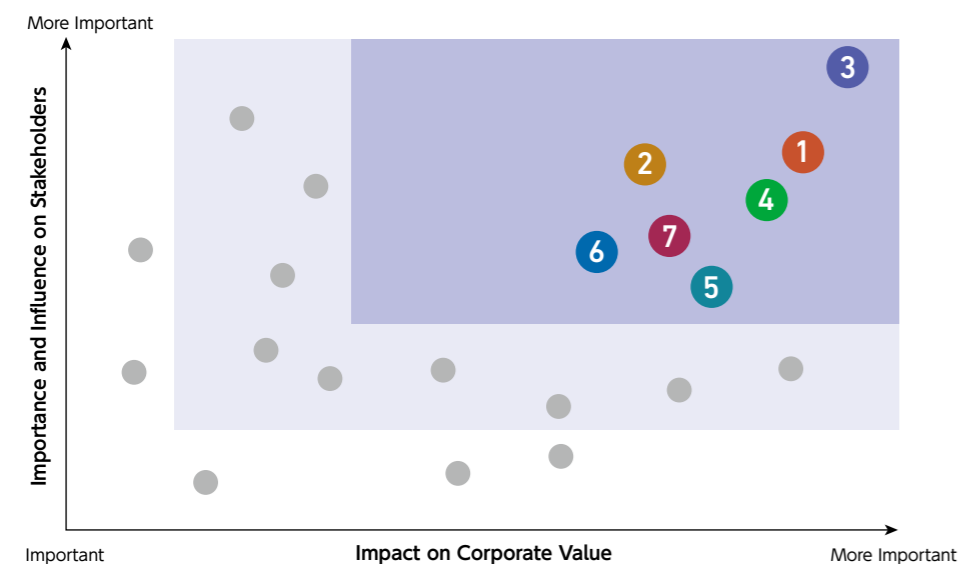
To validate the relevance of the extracted issues, we examined and organized social issues, industry trends, and ESG-related developments both in Japan and overseas. Referring to international frameworks such as the SDGs, TCFD, and ISSB, we clarified the intersection between our business activities and social expectations.

We evaluated the extracted issues along two axes — their impact on corporate value and their importance and impact on stakeholders — and developed a materiality matrix. We then identified high-priority issues, which were reviewed and approved by management, and integrated them into our corporate strategy and Mid-Term Management Plan.

Materiality is not fixed. It is regularly reviewed in response to changes in the external environment and progress in our business strategy. Through the PDCA cycle, we continuously verify and improve the validity and effectiveness of our materiality.

Materiality	Related SDGs
<p>1 Creating Innovation through Telecomcentric Collaboration and Co-creation</p> <p>Values We Embrace (1) Creating a future society</p> <ul style="list-style-type: none"> Creating an exciting future society for Okinawan people by promoting innovation centered on telecommunications 	
<p>2 Realizing a Safe, Secure, and Abundant Society</p> <p>Values We Embrace (2) Contributing to the development of the prefecture's economy by building robust infrastructure</p> <ul style="list-style-type: none"> Eliminating the information divide on remote islands and co-creating with remote island industries 	
<p>3 Solving Issues Faced by Okinawa through Our Businesses</p> <p>Values We Embrace (3) Realizing a sustainable Okinawa</p> <ul style="list-style-type: none"> Solving issues through new value creation, industry-academia collaboration, and co-creation with local communities and businesses 	
<p>4 Promoting Carbon Neutrality and Nature Positivity in Okinawa</p> <p>Values We Embrace (4) Realizing carbon neutrality</p>	
<p>5 Training Diverse and Skilled Personnel and Providing Motivation and Comfort in Working</p> <p>Values We Embrace (5) DX personnel training, engagement improvement, and health management initiatives</p> <ul style="list-style-type: none"> Accelerating DE&I Promoting wellbeing Optimizing work environment 	
<p>6 Strengthening Our Management Base through Enhanced Governance</p> <p>Values We Embrace (6) Strengthening the management base of the entire Okinawa Cellular Group</p> <ul style="list-style-type: none"> Strengthening Risk Management Ensuring Compliance Fair and proactive information disclosure 	
<p>7 Advancing Stakeholder Engagement</p> <ul style="list-style-type: none"> Building strong relationships with all stakeholders, including local communities, employees, customers, agents, suppliers, and shareholders 	

Materiality Map



Materiality 1

Creating Innovation through Telecomcentric Collaboration and Co-creation

Values We Embrace (1) **Creating a future society**

- Creating an exciting future society for Okinawan people by promoting innovation

Regional Business Creation Through “mobi,” a Next Generation Mobile Service

In Okinawa Prefecture, there is a lack of transportation options within the community. Providing mobility support to people with mobility difficulties, such as the elderly who have returned their driver's licenses and children, as well as tourists, has become a significant issue. To address this situation, Okinawa Cellular signed a comprehensive partnership agreement with Haeburu Town, Nago City and Community Mobility Inc. and is working to introduce the AI-powered on-demand transportation service “mobi.”

“mobi” offered by Community Mobility Inc., is an on-demand ridesharing taxi service with a flat-rate unlimited ride option within the designated area. Users can easily request a vehicle via the application or by phone. As a new style of carpooling service that

replaces walking, cycling, or short trips in personal vehicles, it can be used in various everyday situations, such as daily shopping, hospital visits, commuting to and from work or school, and transporting family members.

The increased convenience of transportation with the introduction of “mobi” will also promote outings for the elderly, reduce the burden of transporting children to and from school during child-rearing years, and increase the total amount of travel by tourists within the region. Through the provision of next-generation mobile services, Okinawa Cellular will continue to build a comfortable and livable environment for everyone, contributing to the creation of a sustainable local community.

Whenever you want to go out, just call “mobi” and it will come

Via the smartphone app By phone

Pick you up at the location you specify! Go where you want to go

Ride here Go there

Hundreds of stops for getting on and off, about every 200 meters on foot!

Show the expected time of pick-up or arrival and the location of the vehicle

You can also contact the driver

Get to your destination efficiently by carpooling and taking the best routes

The system automatically generates optimal routes

Live Streaming of the “Naha Great Tug-of-War” Using Okinawa’s First 5G SA Network Slicing

Okinawa Cellular and KDDI, in collaboration with Ryukyu Broadcasting Corporation (RBC), conducted live streaming of the 54th Naha Great Tug-of-War Festival held on October 13, 2024, via RBC’s official website and application. The streaming utilized a commercial 5G Standalone (5G SA)¹ system with SLA²-guaranteed network slicing for both uplink and downlink. This marked the first live streaming initiative in Okinawa Prefecture using 5G SA slicing.³

Traditionally, live streaming of outdoor events required deploying relay vehicles equipped with dedicated equipment at the filming site, along with extensive cable wiring, and complex operations. In recent years, best-effort 4G LTE networks have also been used as a relay method. However, ensuring stable communication quality required for video relay during crowded events remained a challenge.

SLA-guaranteed network slicing enables the stable, end-to-end⁴ provision of communication quality required for video relay, making it possible to reduce costs by replacing dedicated equipment, for example, by simplifying video relay workflows. In particular, video relay using smartphone cameras is expected to offer new video experiences.

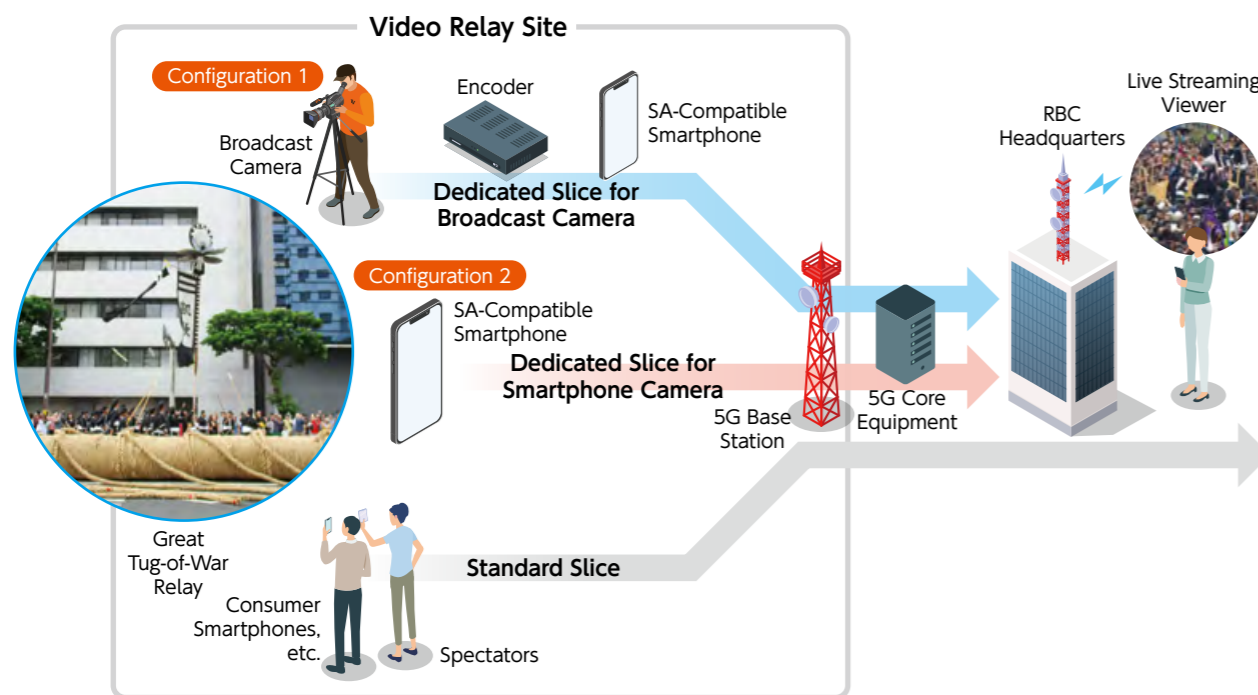
At the midpoint of the Naha Great Tug-of-War route

(Kumoji intersection on National Route 58), video from both broadcast cameras and smartphone cameras was transmitted to RBC headquarters via the 5G SA network and used for program production. The SLA-guaranteed network slicing for both uplink and downlink enabled logical separation from the networks used by spectators’ smartphones, ensuring the communication quality required for each video relay.

Taking advantage of their compact and lightweight features, smartphones can be used as roadside cameras where it is difficult to install conventional broadcast cameras. This is expected to expand the possibilities for future video production. Okinawa Cellular and KDDI will continue their efforts to promote customers’ digital transformation (DX) and enhance experiential value.

Notes:

- *1. 5G Standalone (SA): A system combining 5G base stations with core network facilities developed exclusively for 5G.
- *2. SLA: Short for Service Level Agreement
- *3. Based on Okinawa Cellular’s research as of October 15, 2024.
- *4. End-to-end: Refers to the entire process from data transmission to reception.



Initiatives to Support DX in Regional Healthcare

Okinawa Cellular supports improved operational efficiency and safety in medical settings by transforming the communication environment of regional medical institutions. In particular, at the University of the Ryukyus Hospital, the Company has enhanced collaboration among medical staff and improved the quality of patient care through the introduction of a business communication service utilizing smartphones.

At medical institutions, traditional communication environments relying mainly on PHS and fixed-line telephones faced limitations, with issues in communication methods and security both within and outside the hospital. By providing a service that allows smartphones to be used as internal extension phones, Okinawa Cellular has solved these issues. This has enabled medical staff to maintain the same communication environment as within the hospital even when working off-site or from home, thereby improving their ability to respond.

Furthermore, by introducing security measures that enable centralized device management and remote operation, the Company has also helped reduce the risk

of information leakage. As a result, medical institutions have been able to establish a system that allows them to focus on patient care and in-hospital operations in a safe and reliable communication environment.

In addition, the introduction of smartphones has integrated the functions of nurse call systems and PDA devices, while enabling real-time information sharing through chat tools. This has strengthened prompt decision-making and team collaboration in medical settings.

Taking this initiative as a model case, the Company will promote its deployment to other medical institutions and public facilities both within and outside the prefecture. Through the development of communications infrastructure, we aim to contribute to promoting digital transformation (DX) in local communities while pursuing sustainable corporate growth.

Going forward, we will continue to listen to on-site needs and work to solve issues through both technology and service perspectives, creating value rooted in the local community.





Materiality 2 Realizing a Safe, Secure, and Abundant Society

Values We Embrace (2) Contributing to the development of the prefecture's economy by building robust infrastructure

- Eliminating the information divide on remote islands and co-creating with remote island industries

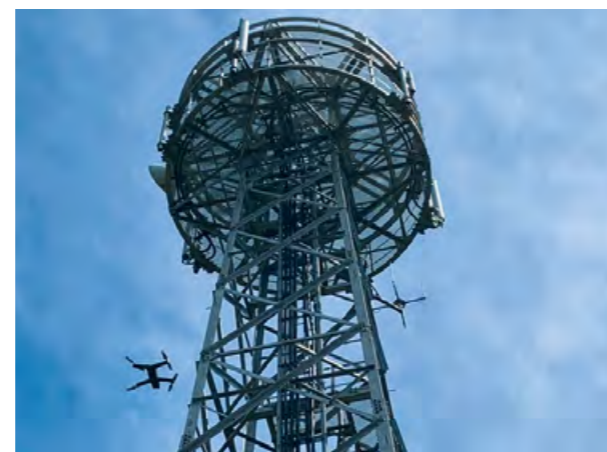
Enhancing Operational Efficiency Through Automated Inspection of Telecommunication Base Stations Using Drone Photography and AI Image Analysis Technology

Inspection of tower-type base stations, which involves work at high elevations, requires skilled workers and thorough safety assurance during the work. It entails difficulties in terms of inspection time and cost. As part of efforts to solve this issue, Okinawa Cellular has conducted a demonstration test of automated inspection of tower-type base stations and completed its implementation in the operation. This utilizes image capture by the Skydio 2+™ drone equipped with auto-flight software and Okinawa Cellular's AI image analysis technology.

The inspection can identify areas of deterioration such as peeling paint, rust, and corrosion, and has improved the accuracy of the damaged area identification and the speed of assessment process. It takes about 20 minutes per tower to completely take photographs of the entire base station, reducing the inspection time to about one-fifteenth of the time required by conventional methods. The photographs taken are high-resolution and comparable to close-up photographs taken by working at high elevations, and

the AI image analysis models enables us to identify areas of deterioration.

Through this initiative, we will improve operational safety, reduce costs, and collect detailed data quickly, thereby contributing to the development of local communities and the realization of safe and secure life.



Improving Communication Environments in Areas Without Signal Coverage through the Introduction of "Starlink Business"

Okinawa Cellular has introduced Starlink Business to eliminate areas without signal coverage. Starlink Business is a satellite internet service provided by SpaceX. By utilizing thousands of low Earth orbit satellites, it delivers high-speed and low-latency internet connections, particularly in locations where communication environments are underdeveloped.

At RYUKYU KAIUN KAISHA, communication between vessels and land during maritime transport previously relied solely on satellite phones and fax machines, making operational communication and troubleshooting time-consuming and inefficient. To enhance the work environment on board, there was also a need to improve the communication environment to ensure comfortable network access. To address these challenges, Okinawa Cellular installed Starlink Business

on vessels, enabling smoother and more efficient operations. Crew members can now communicate with their families, access social networking services, and watch videos even while at sea, significantly improving their satisfaction.

Starlink Business has also been deployed at construction sites in mountainous areas where signals cannot reach. At the request of Nikou Jimuki Co., Ltd., Okinawa Cellular installed Starlink Business to support workers engaged in inspecting and repairing water leaks inside a waterway tunnel in a mountainous area. The system enabled communication between the inside and outside of the tunnel via LINE and FaceTime. This is an example of how Starlink Business helped achieve both work efficiency and safety management.



Installation of Starlink Business on vessels (RYUKYU KAIUN KAISHA)



Use of Starlink Business for underground tunnel inspection (Nikou Jimuki Co., Ltd.)

Donations to Ten Remote Island Municipalities through the Corporate Hometown Tax Donation Program

As part of initiatives to support regional revitalization, Okinawa Cellular, together with Okinawa Financial Group, Inc. and The Okinawa Electric Power Company, Incorporated, made donations to ten remote island municipalities through the Corporate Hometown Tax Donation Program, a corporate version of Japan's hometown tax donation system that promotes regional revitalization.

In June 2024, the three companies jointly signed a Partnership Agreement on Promoting the Sustainability of Remote Island Communities with the ten municipalities to strengthen collaboration for regional development and the growth of local communities on each island.

Jointly concluding this partnership agreement, the three companies and the island municipalities aim to promote regional development and the growth of

local communities through closer cooperation and collaboration, by making more effective use of their respective knowledge and functions.

Under the Corporate Hometown Tax Donation Program, local governments allocate the donated funds to projects related to regional revitalization, thereby aiming to foster regional development and economic revitalization. By supporting these projects of local governments, the three companies remain committed to promoting regional revitalization and contributing to the achievement of local SDG targets.

- **Recipient Municipalities:** Ie Village, Tokashiki Village, Zamami Village, Aguni Village, Tonaki Village, Minamidaito Village, Kitadaito Village, Iheya Village, Izena Village, and Kumejima Town (in administrative order)
- **Donation Amount:** Total: JPY 90 mn (JPY 9 mn for each municipality)





Materiality 3

Solving Issues Faced by Okinawa through Our Businesses

Values We Embrace (3) Realizing a sustainable Okinawa

- Solving issues through new value creation, industry-academia collaboration, and co-creation with local communities and businesses

Introduction of Container-Type Plant Factories on Minamidaito Island

Minamidaito Island had long faced challenges in maintaining the freshness of leafy and other vegetables due to its heavy reliance on supplies of daily necessities from outside the island. Local cultivation was difficult because of intense summer heat, salt damage, and typhoons, leading to issues unique to remote islands, such as prolonged shortages and rising prices of fresh produce.

To solve these issues, Minamidaito Village and Okinawa Cellular Agri&Marche Corporation (Agri&Marche) jointly launched the Plant Container Development Business in 2017. This initiative enabled residents to have access to a daily supply of fresh, pesticide-free leafy vegetables.

By 2024, the plant container system achieved a daily harvest of approximately 500 plants of leafy vegetables, enabling annual production of around 14 tons. As a result, the self-sufficiency rate of leafy vegetables used in school lunches has risen to nearly 100%.

The business introduced a closed-type hydroponic cultivation system that incorporates IoT technology to automatically control temperature, humidity, and CO₂ concentration, achieving stable production of

leafy vegetables throughout the year. Moreover, water consumption has been reduced to one-fiftieth of that in conventional farming methods, demonstrating consideration for the environment.

Building on the success on Minamidaito Island, the system has been introduced at six additional locations, including Tarama Island. We will continue contributing to the resolution of regional issues through this business.



Industry-Academia Collaboration between Meio University and Okinawa Cellular to Promote Health and Longevity in the Yambaru Region

On August 2, 2024, Okinawa Cellular signed a comprehensive Industry-Academia Collaboration Agreement with Meio University to solve health-related issues and realize a sustainable health environment in the northern Okinawa region (the Yambaru region).

Under this agreement, both parties advance mutual support for education and research contributing to health and longevity, and collaboration and cooperation in regional health promotion through the use of ICT. Since fiscal 2018, Meio University has been conducting the "Yambaru Health Promotion Project (YHPP)*," focusing on identifying early signs of diseases and developing preventive methods based on health checkup data. In April 2023, the university established the Department of Health Informatics within its Faculty of Human Health to promote human resource development that can create new value in the health field.

Okinawa Cellular entered the medical and healthcare business in 2019, expanding it under the concept of "Restoring Okinawa's Health and Longevity." Going forward, Okinawa Cellular plans to link its healthcare application JOTO Home Doctor with Meio University's health checkup data, exploring initiatives

such as returning health checkup results to users and providing health advice based on PHR data analysis.

Through collaboration that leverages both parties' human and physical resources, the parties also aim to co-create a sustainable health environment by supporting human resource and career development, including the training of data scientists in the health field as advocated by the Department of Health Informatics at Meio University. Through this agreement, the two parties will contribute to solving health issues and building a future-oriented community in the Yambaru region.



Okinawa Cellular and Meio University signed a comprehensive Industry-Academia Collaboration Agreement (August 2, 2024).

* Yambaru Health Promotion Project (YHPP): As one of the collaboration bases of the Hirosaki University COI (note), Meio University conducts epidemiological research in the Yambaru region through the "Yambaru Health Promotion Project (YHPP)," working on developing methodologies for identifying early signs of diseases and preventive methods based on data collected from the region.

(Note) Hirosaki University COI: This is one of the COI projects implemented under the Center of Innovation Science and Technology based Radical Innovation and Entrepreneurship Program (COI STREAM) launched by Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT) in 2013. In Hirosaki City, Aomori Prefecture, Hirosaki University COI conducts epidemiological research through the Iwaki Health Promotion Project (IHPP), working on developing methodologies for identifying early signs of diseases and preventive methods, aiming to eliminate the prefecture's reputation for short life expectancy.

Participation in the GW2050 PROJECTS Promotion Council to Support Value Creation in Okinawa

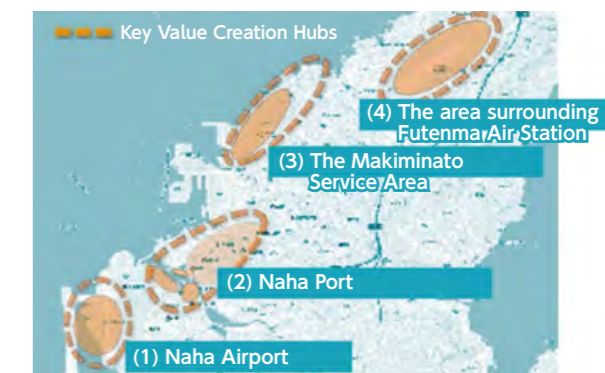
Okinawa Cellular has joined the GW2050 PROJECTS Promotion Council, which was established in 2024 as part of initiatives to envision and create the future of Okinawa. Under the vision of "Envisioning Okinawa in 2050 as a Gateway to the World—Connecting Japan and the World," the council serves as a platform for collaboration among economic organizations, private companies, and relevant local governments with the goal of Okinawa's sustainable development.

The core pillar of this initiative is the formation of "Key Value Creation Hubs." Focusing on the planned return sites such as Naha Airport, Naha Port, the Makiminato Service Area, and the area surrounding Futenma Air Station, the project promotes area-wide development to unlock Okinawa's full potential. These hubs are expected to strengthen their functions as centers for international exchange and logistics, as well as to foster innovation across diverse fields such as tourism, industry, education, and medical care.

Leveraging its expertise cultivated through telecommunications technology and its network center,

as well as its deep connections with the local community, Okinawa Cellular will contribute to this ambitious project.

The Company's participation in GW2050 PROJECTS embodies its commitment to solving issues in Okinawa through business activities. Okinawa Cellular will continue supporting the creation of new value in Okinawa by carrying forward its beautiful nature and culture for future generations while maximizing the potential of digital technologies.





Materiality 4 Promoting Carbon Neutrality and Nature Positivity in Okinawa

Values We Embrace (4) Realizing carbon neutrality

Achieved Carbon Neutrality for the First Time in Okinawa (2024)

In fiscal 2024, Okinawa Cellular achieved carbon neutrality across all business activities, including those of its consolidated subsidiaries, by reducing greenhouse gas (GHG) emissions^{*1} to net zero^{*2}.

Achieved Carbon Neutrality in FY2024



Reduced GHG emissions to net zero

Providing an Eco-Friendly Telecommunications Environment



Okinawa Cellular has long been working to reduce GHG emissions through energy-saving measures, the deployment of sustainable base stations powered by

solar energy, and the use of electricity generated from renewable energy sources within Okinawa Prefecture. For the remaining emissions that are currently difficult to reduce, the Company offsets them through the use of carbon credits, thereby achieving carbon neutrality.

To realize a carbon-neutral approach unique to Okinawa, the Company carefully selects and utilizes the following types of carbon credits:

Details of Carbon Credits
Scope 1: Nature-based forest credits (J-Credits)
Scope 2: FIT Non-fossil Certificates generated from renewable energy within Okinawa Prefecture

Going forward, the Company aims to further expand the use of renewable energy and create carbon credits generated within the prefecture. Through the promotion of the environmentally friendly "Green Network by Okinawa Cellular" to users of its telecommunications services, it will continue to raise local awareness of carbon neutrality.

*1: The total of Scope 1 emissions (direct emissions from the Company's own operations) and Scope 2 emissions (indirect emissions from the use of electricity, heat, and steam supplied by other companies), calculated and third-party assured in accordance with the "GHG Protocol," an international standard for calculating and reporting GHG emissions.

*2: To reduce GHG emissions, the Company has been promoting energy conservation and the use of renewable energy across the Group. The remaining emissions that cannot be fully reduced are offset through investments in emission reduction projects, thereby achieving carbon neutrality.

Integrating Carbon Neutrality and Nature Positivity

Okinawa Cellular's Vision for Its Relationship with the Local Community

Okinawa Cellular will continue promoting initiatives that integrate carbon neutrality with nature positivity to support the sustainable development of the local community. Through these efforts, the Company aims to mitigate the risks of climate change and biodiversity

loss, while fostering a rich natural environment that enables people living and working in Okinawa to more fully enjoy the blessings of nature and achieve greater wellbeing.



Background and Purpose of the Carbon Neutrality and Nature Positivity Integration Strategy

In recent years, it has become increasingly clear that the crises of climate change and biodiversity loss are closely interconnected, requiring an integrated response. At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) held in 2021, nations strengthened their commitments toward a decarbonized society. Subsequently, at the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) held in 2022, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted, setting a nature-positive concept as a global standard to halt and reverse biodiversity loss by 2030 and restore nature by 2050. Furthermore, expectations for corporate ESG investment have been rising, and the framework of the Taskforce on Nature-related Financial Disclosures (TNFD) is gradually being introduced. The Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on

Biodiversity and Ecosystem Services (IPBES) have jointly published reports, and the TNFD also recommends integrated consideration with climate change within its guidance.

The promotion of inappropriate climate change measures may harm biodiversity and, as a result, reduce the resilience and adaptive capacity of ecosystems to climate change. It is also important to note that climate change and biodiversity are closely linked to wellbeing. By addressing climate and biodiversity in an integrated manner, it is possible to effectively mitigate medium- to long-term risks while also contributing to wellbeing.

Okinawa Prefecture, where Okinawa Cellular operates its business, is not only one of the world's biodiversity hotspots but also an area where large portions of nature have been lost due to postwar development. While ecosystems across the prefecture are gradually recovering, development involving land-use change continues. Corporate decision-making

has a significant influence on the future of Okinawa's biodiversity and the sustainability of the local community.

Okinawa is highly exposed to disaster risks associated with climate change, and as a company that plays a role in supporting social infrastructure, it must actively engage in climate change measures. In addition, Okinawa's main industries are tertiary

sectors such as tourism, which is supported by its rich natural environment, and nature economically sustains the region. Furthermore, from a cultural perspective, Okinawa's music, dance, crafts, and cuisine are deeply connected with the region's nature, and preserving this rich nature directly contributes to the prosperity of the local economy, society, and culture.

Key Issues and Relationships between Carbon Neutrality and Nature Positivity

At Okinawa Cellular, measures to achieve carbon neutrality (CN) were categorized under four factors—land use area, economic cost, CN effectiveness, and nature positivity (NP) effectiveness—and evaluated based on trade-offs and synergies to identify the most effective measures.

As a result, it was found that the use of renewable energy derived from wind power and the purchase of non-fossil certificates are highly cost-effective in reducing carbon emissions and require relatively little land area, having minimal negative impacts on biodiversity. On the other hand, due to Okinawa's unique geographical features, typhoons, and other natural conditions, as well as noise considerations, the introduction of such measures face many challenges.

Solar power has a moderate effect on carbon reduction but requires a large land area and has been reported to have greater negative impacts on biodiversity than wind power, calling for a cautious

approach.

It was also found that ecosystem conservation and restoration activities have low carbon reduction efficiency and limited cost-effectiveness, making them costly to adopt as a main pillar of the CN strategy.

Considering overall feasibility and carbon reduction impact in Okinawa, solar power is currently considered the most practical renewable energy option. The Company plans to gradually reduce its reliance on certificate purchases and external services, shifting toward the in-house generation of renewable energy.

While advancing its CN measures primarily through solar power at present, the Company intends to offset any negative impacts on the natural environment that may arise in the process by promoting conservation and restoration of the prefecture's diverse ecosystems, thereby achieving an effective balance between CN and NP in Okinawa.

Initiatives for Natural Capital Based on the TNFD Framework

Okinawa Cellular endorses the philosophy of the Taskforce on Nature-related Financial Disclosures (TNFD) and has joined the TNFD Forum to support its activities. The Company has also become a member of the 30by30 Alliance for Biodiversity, an initiative led by Japan's Ministry of the Environment, which aims to build a framework for achieving the goal of conserving and protecting at least 30% of the country's land and sea areas as healthy ecosystems.

In June 2024, the Company prepared a TNFD Report by referring to the TNFD v1.0 disclosure framework to analyze the risks and opportunities related to natural

capital in its business activities.

Okinawa Cellular will contribute to nature positivity by continuously assessing its impact and dependence on natural capital and risks in developing its business activities. The Company will work together with its stakeholders to achieve the sustainable growth of society and enhance corporate value.

* Note: From 2025, TNFD-related disclosures will be incorporated into this Integrated Report to provide more comprehensive and integrated reporting.
Reference: TNFD Report (<https://okinawa-cellular.jp/english/sustainability/tbfd-report/>) | TNFD Report | Sustainability | OKINAWA CELLULAR TELEPHONE COMPANY



TCFD Initiatives

On climate change, Okinawa Cellular discloses information in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

Governance

Cellular 6X Promotion Project

Okinawa Cellular has established the Cellular 6X Promotion Project, headed by the Representative Director and President as chief manager in charge, as a body to systematically and efficiently discuss issues related to sustainability and confirm progress on KPIs. The Cellular 6X Promotion Project is responsible for reviewing and discussing climate-related risks and opportunities, as well as monitoring and overseeing the situation, and approving matters to be reported. The Project meetings are held quarterly, and its contents are reported to the Board of Directors, which will oversee and direct the implementation of measures and

initiatives to address important issues.

GX Committee

As the implementing body of the Cellular 6X Promotion Project, the GX Committee promotes initiatives toward achieving carbon neutrality. It analyzes risks and opportunities related to climate change and examines countermeasures. The results are deliberated by the Cellular 6X Promotion Project before being reported to the Board of Directors.

Indicators and Targets

Okinawa Cellular calculates greenhouse gas emissions (Scope 1, 2, and 3), including those of its Group companies, and strives to manage the risks and opportunities that climate change poses to the Company through regular and quantitative monitoring of its environmental impact. Based on the following indicators and targets, we will work with KDDI to reduce greenhouse gas emissions.

	Category	Target	Emissions in FY2022 (t-CO ₂)	Emissions in FY2023 (t-CO ₂)	Emissions in FY2024 (t-CO ₂)
Scope 1	Direct greenhouse gas emissions by the business enterprise itself	Net zero CO ₂ emissions from fiscal 2024	24	85	0
Scope 2	Indirect emissions from the use of electricity, heat, and steam supplied by others	Net zero CO ₂ emissions from fiscal 2024	13,763	12,497	0
Scope 3	Indirect emissions other than Scope 2	Net zero CO ₂ emissions by fiscal 2040	-	-	-

Scenario Analysis

In the scenario analysis, we referred to scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and "Climate Change in Japan 2020" published by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Japan Meteorological Agency (JMA). We then analyzed two scenarios: the 2°C scenario, which is the goal of the Paris Agreement (assuming a global average temperature increase of less than 2°C from pre-industrial times), and the 4°C scenario (global greenhouse gas emissions increase from the current level without any climate change countermeasures).

As a result of the scenario analysis, energy price hikes, a key risk in the 2°C scenario, are expected to continue over the long term. Therefore, we will plan and implement continuous energy conservation and decarbonization efforts. Under the 4°C scenario, we would be affected by the rise in temperature, increased energy consumption due to extreme weather conditions, and more severe and frequent disasters. For these risks, we will work to minimize their impacts by reviewing our BCP plans as needed and conducting periodic drills.

Column: Seagrass Bed Restoration Project

Background and Overview of Activities

The Nosokozaki headland on Ishigaki Island is home to a rare eelgrass bed where nearly ten eelgrass species have been observed. In particular, the umishobu*¹ (*Enhalus acoroides*) seagrass is found at the northern limit of its distribution and is designated as a Vulnerable species (Category II) on the Red Lists of both Japan's Ministry of the Environment and Okinawa Prefecture. In recent years, however, *Enhalus acoroides* has faced a risk of extinction due to grazing by green sea turtles. Local residents have traditionally led conservation activities by setting up protective fences to prevent such grazing, but as the decline has accelerated, further strengthening of such activities was required.

Okinawa Cellular has also supported these activities and has been working to restore *Enhalus acoroides* in the Nosoko area of Ishigaki City, Okinawa Prefecture, in collaboration with Eco Tour Fukumimi, which promotes nature conservation activities in the area, and Nosoko Elementary School. Tokio Marine Asset Management Co., Ltd. and Fujitsu Limited have also participated in the project. They

*1. A rare seagrass species classified as Vulnerable (Category II) by Japan's Ministry of the Environment. It is found only in shallow waters around Ishigaki and Iriomote Islands, serving as an important habitat for marine life and as a source of CO₂ absorption, thus playing a vital role in conserving Okinawa's marine environment.

First in Okinawa: Nosoko *Enhalus acoroides* Community on Ishigaki Island Designated as a "Nationally Certified Sustainably Managed Natural Site," by Japan's Ministry of the Environment

In November 2024, the Nosoko area of Ishigaki City, where this project is conducted,



At the Award Ceremony

have newly installed protective fences, cultivated *Enhalus acoroides* on land and transplanted it within the fenced areas, and conducted marine environmental monitoring using underwater drones to assess growth conditions in the protected area. Local residents and students from nearby elementary schools have also participated in conservation activities such as monitoring, and the project has been carried out with the cooperation of the local community.



was designated as Okinawa Prefecture's first "Nationally Certified Sustainably Managed Natural Site*¹" by Japan's Ministry of the Environment.

The following characteristics of the project were key to the designation:

(1) Nosokozaki is the only area on Ishigaki Island where *Enhalus acoroides* grows, making it a habitat for rare species. Until around 2010, before grazing damage by green sea turtles became serious, the area also supported nearly ten species of seagrass, providing water purification and blue carbon storage functions. If the current restoration efforts succeed, the recovery of species and biomass comparable

to that of the *Enhalus acoroides*' peak growth period is expected.

(2) The project includes biodiversity conservation activities with students from Nosoko Elementary School. These initiatives foster biodiversity education, cultivate a culture of environmental stewardship, and help pass on the relationship between people and nature to future generations.

*1. Nationally Certified Sustainably Managed Natural Site: An area designated by Japan's Ministry of the Environment that contributes to biodiversity conservation through initiatives by private entities.

*2. J-Blue Credits: Unique credits that are certified, issued, and managed by the Japan Blue Economy Association (JBE), following review and feedback from an independent third-party committee.

*3. OECM (Other Effective area-based Conservation Measures): Areas outside protected areas that contribute to biodiversity conservation.

(3) *Enhalus acoroides* stores carbon, thereby contributing to decarbonization. The amount of greenhouse gases (GHGs) stored by the *Enhalus acoroides* will be measured and applied for as J-Blue Credits*².

The area will also be registered in an international database as an OECM*³, contributing to the achievement of the international 30by30 target.

First in Japan: Application for J-Blue Credits through the Restoration of a Vulnerable Species

Okinawa Cellular, together with Bank of The Ryukyus, Limited and SAN-A CO., LTD., has applied for J-Blue Credits based on activities to conserve and restore *Enhalus acoroides*, a vulnerable species, in the Nosoko area of Ishigaki Island. The application for J-Blue Credits through the vulnerable species marks the first such initiative in Japan.

The *Enhalus acoroides*, which had faced extinction due to grazing by green sea turtles, has been the focus of conservation efforts by Eco Tour Fukumimi, which promotes nature conservation activities on Ishigaki Island, together with Nosoko Elementary School, Tokio Marine Asset Management Co., Ltd., and Okinawa Cellular. Recently, Bank of The Ryukyus, Limited and SAN-A CO., LTD. have newly joined the project.

As *Enhalus acoroides* absorbs and stores CO₂ through photosynthesis, it has attracted global attention as a new option for blue carbon absorption measures.

The anticipated J-Blue Credits are planned to be used by Okinawa Cellular, Bank of The Ryukyus, Limited, and SAN-A CO., LTD. to offset their CO₂ emissions. This initiative is considered highly meaningful, as it contributes to the prevention of global warming while fostering Okinawa's rich, biodiverse marine environment.

The three companies operating in Okinawa Prefecture will continue to work together with local communities to promote sustainability initiatives that conserve and utilize the natural environment of Okinawa.



Umishobu (*Enhalus acoroides*)



Conservation area with protective fences



Materiality 5

Training Diverse and Skilled Personnel and Providing Motivation and Comfort in Working Values We Embrace (5) DX personnel training, engagement improvement, and health management initiatives

■ Accelerating DE&I ■ Promoting Wellbeing ■ Optimizing Work Environment

Framework for Driving Human Capital Strategy

1. Accelerating DE&I

- Upgrading the personnel system
- Organizational restructuring (optimization)
- Actively promoting young employees
- Increasing the ratio of female managers
- Encouraging the active participation of senior employees

2. Promoting Wellbeing

- Expanding the flextime system
- Encouraging telework utilization
- Introducing a job-return program
- Establishing work environments that enable focus through childcare support
- Promoting health and productivity management

3. Optimizing Work Environment

- Strengthening team communication
- Enhancing creativity through inspiring collaboration
- Creating a future-oriented work environment

Framework for Driving Human Capital Strategy

Okinawa Cellular's human capital strategy is rooted in "Cellular," which represents the fundamental character of its employees — individuals who, with a deep love for Okinawa and a "chimu-dondon" spirit of excitement, contribute to the local community while refining their strengths.

To realize this human capital strategy, the direction is structured around three pillars: 1. Deepening the "All for Okinawa!" mindset, 2. Establishing "DayX," where employees autonomously design their work styles, and

3. Developing each employee's core skills.

The key framework for driving Okinawa Cellular's human capital strategy consists of three pillars: accelerating DE&I, promoting wellbeing, and optimizing work environment.

By accelerating DE&I, the Company is promoting the utilization of diverse human capital by shifting to a performance-based personnel system, actively promoting young employees, and increasing the ratio of female managers.

In promoting wellbeing, the Company is implementing comprehensive wellbeing measures that respect diverse lifestyles, enabling each employee to build their career with a chimu-dondon spirit of excitement.

To optimize work environment, Okinawa Cellular is transitioning from a hybrid work environment that prioritizes safety to an office environment that encourages real communication.

1. Accelerating DE&I

In fiscal 2023, Okinawa Cellular shifted from a seniority-based personnel evaluation system to a performance-based system. This change enables the fair evaluation of each employee's abilities and achievements, aiming to revitalize the organization and ensure sustainable growth. By upgrading and establishing this system, the Company will further promote DE&I—diversity, equity, and inclusion.

As the foundation for this system transformation, Okinawa Cellular is working to accelerate decision-making through organizational restructuring. By increasing the number of managerial positions and reducing the size of third-tier groups (smaller organizational units), the Company will significantly enhance on-site decision-making speed through greater discretionary authority. These efforts will enable faster responses to market changes and foster self-driven work among on-site employees.

In terms of the promotion of human capital, Okinawa Cellular will introduce a selective appointment system to foster organizational revitalization. In particular, through the "20s Leader Challenge Program," the Company actively promotes young employees and encourages lowering the average age of managers, thereby accelerating the development of next-generation leaders. This initiative is positioned as an

important measure to move away from the traditional seniority-based promotion system and to establish a fair, merit-based evaluation system.

In promoting diversity, Okinawa Cellular positions the ratio of female managers as an important indicator and aims to increase it to 30% by fiscal 2030. To achieve this goal, the Company is strategically strengthening the development and promotion of female employees, while advancing organizational management that leverages diverse perspectives and experiences.

Okinawa Cellular is also actively encouraging the active participation of senior employees.

The Company regards the expertise accumulated by experienced senior talent as a valuable organizational asset and will implement measures to make effective use of it. Through flexible work styles and role design, Okinawa Cellular supports the realization of diverse career paths regardless of age, aiming to create a workplace environment where all generations can play an active role.

Through these initiatives, Okinawa Cellular aims to realize genuine DE&I and foster an organizational culture in which diverse human capital can fully demonstrate their potential.

2. Promoting Wellbeing

Okinawa Cellular envisions wellbeing as creating an environment where everyone can pursue career building with a chimu-dondon spirit of excitement while maintaining a balance between work and personal life. To respect each employee's diverse lifestyle and values and to support both fulfillment and workplace comfort, the Company is implementing comprehensive wellbeing measures.

Direction for Future Measure Development

Okinawa Cellular has a key policy of proactively supporting employees in balancing work with changes

in their life stages. The Company will further enhance its support system so that employees can continue their careers with peace of mind when facing major life events such as marriage, childbirth, childcare, or caregiving.

At the same time, the Company is also strengthening measures for colleagues who support employees undergoing life stage transitions. By developing a workplace environment where teams can support one another, the Company aims to build an organizational culture in which everyone can grow together while providing mutual support.

Implemented Wellbeing Measures

To date, Okinawa Cellular has introduced the following measures to support employees' diverse workstyles:

<p>Flextime System Enables employees to choose work hours that align with their individual lifestyles, creating an environment where they can autonomously balance work and private life.</p> <p>Telework System Reduces commuting burdens and enhances productivity through the use of remote and home-based work, providing more efficient and satisfying work styles.</p> <p>Childcare Support Provides assistance for the use of childcare services, creating an environment where employees engaged in child-rearing can focus on their work with peace of</p>	<p>mind. By encouraging male employees to take childcare leave, the Company is also fostering a workplace culture in which all employees, regardless of gender, can actively participate in child-rearing, while supporting the diversification of family roles and the realization of gender equality.</p> <p>Job-Return Program Offers reemployment opportunities for employees who temporarily left the Company due to life events such as marriage, childbirth, or caregiving, enabling them to once again play an active role within the organization, while promoting the long-term utilization of human capital and enhancing employees' peace of mind.</p>
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Through these measures, Okinawa Cellular is creating an environment in which employees can build their careers while adapting to all stages of life. The Company is striving to achieve sustainable wellbeing management in which employee happiness and organizational growth mutually reinforce each other.

Promoting Health-Focused Management

To achieve the vision set forth in OCT VISION 2030, "Enriching the islands' future with new value — All for Okinawa! Okinawa Cellular," the Company is advancing its human capital strategy rooted in "Cellular," the fundamental character of its employees — individuals who, with a deep love for Okinawa and a "chimu-dondon" spirit of excitement, contribute to the local community while refining their strengths. To realize this strategy, Okinawa Cellular regards employees' health as an important management issue and promotes health-focused management that supports each employee's health at the organizational level.

Under the Representative Director and President as the Chief Health Officer, the Company is collaborating with the Wellbeing Committee to promote initiatives for employees' health. The Company established the Wellbeing Room where employees can consult with resident industrial health nurses about their health in fiscal 2020, and the Wellbeing Office, an organization dedicated to health-focused management, in fiscal 2023, strengthening the structure.

Health-focused management is a regular topic at Board of Directors and Management meetings, where the Company holds strategic discussions based on data measuring the effectiveness of health investments. Okinawa Cellular is also actively promoting the use

of Personal Health Records (PHR), providing health checkup data to employees under 40, and extending health initiatives to non-regular employees. The Company is leveraging data to conduct evidence-based evaluations of effectiveness and build a more comprehensive health support system.

Going forward, the Company will continue to prevent and mitigate lifestyle-related diseases among employees, promote exercise habits, and reduce smoking rates, with the aim of maintaining and improving our employees' health.



3. Optimizing Work Environment

Background

Okinawa Cellular has been continuously working to create a work environment that emphasizes employee wellbeing. In January 2024, the Company obtained a pre-certification for the "WELL Building Standard™ v2" (the "WELL Certification v2"), the first in Okinawa Prefecture, and in April of the same year, received the highest domestic rank, "Platinum." The Company achieved Japan's highest evaluation score of 97 points, receiving particularly high ratings in the categories of Nourishment, Movement, Mind, Community, and Light.

The WELL Certification v2 is an international building and interior environment rating system consisting of ten concepts—Air, Water, Nourishment, Light, Movement, Thermal Comfort, Sound, Materials, Mind, and Community—that influence human health and wellbeing, defined as a state of physical, mental, and social wellness. In fiscal 2022, Okinawa Cellular established the Wellbeing Office, headed by the President, and implemented a complete renovation of its office to promote health-focused management and adapt to new work styles. These efforts led to the achievement of the highest rating.

Renovation of the Head Office

Building on these achievements and experience, Okinawa Cellular is renovating its head office to further improve the work environment. After the COVID-19 pandemic, Okinawa Cellular is transitioning from a hybrid work environment that prioritizes safety to an office environment that encourages real communication, thereby realizing the optimization of its work environment.

The new office will feature not only individual desks and focus workspaces but also new areas designed to inspire conversation, aiming to create a "heart-moving" office where dialogue sparks excitement and collaboration leads to high performance. By offering "choices of workplaces," Okinawa Cellular aims to build an environment where employees feel motivated to

come to the office and where team performance can be realized.

Strengthening Team Communication

To strengthen organizational capability, the Company implements the following initiatives:

- Departmental Integration: Consolidating departments onto a single floor wherever possible to revitalize intra-departmental communication.
- "BUSHITSU" Team Hub: Establishing dedicated spaces where team members can gather, encouraging discussion and collaboration.

Enhancing Creativity through Inspiring Collaboration

To accommodate diverse work styles, Okinawa Cellular introduces frameworks that inspire employees to enhance their creativity.

- Shift to Group-Address System: Transitioning from a free-address to a group-address system to improve operational efficiency at the team level.
- Implementation of Team-Based Working (TBW): Evolving from individual-based Activity-Based Working (ABW) to TBW to strengthen office functions as "a place that maximizes team performance" through diverse workplace settings.

Creating a Future-Oriented Work Environment

Okinawa Cellular develops a flexible office environment oriented toward sustainable growth.

- Planned Seating Arrangements: Designing seating layouts that anticipate future increases in personnel.
- Promotion of Flexible Work: Creating various types of spaces to support diverse work styles and encourage trials of flexible working.

Through these initiatives, Okinawa Cellular will provide a work environment where each employee can maximize their performance, enhancing overall organizational productivity and achieving sustainable growth.

The Future Office: A Place for Flexible and Diverse Interaction

"BUSHITSU" – A Team Hub



Materiality 6

Strengthening Our Management Base through Enhanced Governance

Values We Embrace (6) Strengthening the management base of the entire Okinawa Cellular Group

■ Strengthening Risk Management ■ Ensuring Compliance ■ Fair and Proactive Information Disclosure

Strengthening Risk Management

Approach (risk management and concept of internal control)

In a constantly changing business environment, the risks faced by companies are also becoming more diverse and complex. Okinawa Cellular recognizes that strengthening risk management is an important management issue in order to continue its business and fulfill its responsibilities to society. We position causes and events that may affect the achievement of management goals as "risks" and promote risk management activities throughout the Group.

Risk management and internal control activities

Okinawa Cellular has a system in place to promote risk management activities in an integrated manner. The Representative Director and President is designated as Chief Internal Control Manager, and the Risk Management Department serves as the Internal Control Secretariat. Under the supervision of the Chief Internal Control Manager, we promote the development and operation of an internal control system and risk management activities, as well as develop activities to improve the quality of operations to foster a corporate culture that is less prone to the occurrence of risks.

Risk management activity cycle

We have established a PDCA cycle for risk management activities based on the recognition that it is important to identify signs of a company crisis to prevent it from occurring, and to take countermeasures before the situation worsens. Furthermore, we have a crisis management system in place that allows us to respond quickly and appropriately in the event of the occurrence of risk.

Risk identification process

We regularly identify risk information and position risks that may have a significant impact on the Company's business as material risks, and consider and implement countermeasures to reduce the occurrence of these material risks and the impact of their occurrence as much as possible. In fiscal 2024, to ensure the achievement of our management goals, we focused on 23 material risks based on the issues that had emerged in the past and changes in the business environment, and conducted internal audits applying risk foresight, material risk mitigation activities, and a risk approach. In our information security activities, we have unified the standards of all Group companies to promote the improvement of information security levels throughout the Group and to reduce information security risks.

Ensuring Compliance

For Okinawa Cellular, which supports the telecommunications infrastructure essential for daily life and business, it is necessary to earn and maintain the trust of society. Okinawa Cellular is committed to ensuring compliance as follows.

1. All officers and employees shall always maintain high ethical standards and perform their duties properly in accordance with the Okinawa Cellular Code of Conduct, which sets forth the basic principles to be observed in the performance of their duties.
2. We will take a firm stand against antisocial forces and work to sever all relationships with them.
3. In the corporate bodies pertaining to the corporate ethics of the Group, we will work on early detection and handling of serious violations of laws and regulations and other compliance-related problems and accidents at each of the Group companies.
4. We ensure the proper operation of the whistle-blowing systems for compliance, which have been established both internally and externally.
5. We will strive to improve understanding and awareness of compliance through internal and external training, internal education activities, and other means.

Business Ethics Compliance System

Okinawa Cellular has established the Okinawa Cellular Business Ethics Committee as a body to deliberate and decide on compliance-related matters. The Committee is chaired by the Representative Director and President and consists of directors in charge of each division, the general managers of the General Affairs Department, the Human Resources Department, and the Risk Management Department, full-time corporate auditors and other persons designated by the Chairman of the Committee.

Every year, the Committee meets semiannually to ascertain the status of compliance-related activities within the Company and to build and strengthen

compliance systems. We have also established the Business Ethics Helpline as a consultation service to provide an environment and system that facilitates reporting, and to ensure early detection and correction of misconduct, etc.

If a violation of business ethics occurs, or if an employee finds such a matter, the Okinawa Cellular Business Ethics Committee will conduct an investigation and determine a course of action, while communicating and consulting with the KDDI Group Business Ethics Committee. We will then announce the information internally and externally and provide feedback to the reporting party.

Corporate Governance

1. Board of Directors

The Board of Directors consists of directors, including outside directors, and makes decisions on important matters as stipulated by laws and regulations in accordance with the Rules of the Board of Directors and the Criteria for Agenda Items for the Board of Directors, and supervises the directors to ensure that they execute their duties appropriately. Information related to the execution of duties by directors is appropriately stored and managed in accordance with internal rules.

2. Business Execution System

1. We will clarify the authority and responsibility structure to ensure effective and efficient operations.
2. In addition to the agenda items for the Board of Directors, important matters related to business execution are deliberated and decided by the Full-time Executive Committee, consisting of full-time directors, executive officers, etc., in accordance with the regulations of the Full-time Executive Committee.

3. System to ensure the effectiveness of corporate auditors' performance of duties

1. Corporate Auditors shall attend major internal meetings in addition to meetings of the Board of Directors, and we will take measures to enable them to inspect the minutes of important meetings, requests for approval, contracts, etc.
2. Directors and employees, directors of subsidiaries, and the internal audit division shall report to corporate auditors any information necessary for them to perform their duties

in a timely and appropriate manner and shall immediately report to corporate auditors any facts discovered that may cause significant damage to the Company or its subsidiaries. Also, directors and employees, directors of subsidiaries, and the internal audit division shall exchange opinions with the corporate auditors and cooperate with them.

3. We will create a system to support the duties of corporate auditors, and regarding the personnel matters of employees engaged in their duties, we will respect the opinions of corporate auditors in terms of the qualifications, number of employees, etc., and ensure that appropriate personnel are assigned.
4. We will take measures to ensure that no person who makes a report to corporate auditors will be disadvantaged as a result of making such a report.
5. We will ensure necessary funds to enable corporate auditors to effectively perform their duties.

Compliance with internal control reporting system (J-SOX)

In response to the internal control reporting system based on the Financial Instruments and Exchange Law, which became effective in fiscal 2008, we conducted an internal control evaluation for the Company and one consolidated subsidiary to ensure reliability of financial reporting. The results of the evaluation were compiled into an internal control report, which has been submitted to the Prime Minister in June 2025 and disclosed to our investors.

Human Rights Initiatives

Okinawa Cellular is promoting initiatives that respect human rights to fulfill its responsibilities to all stakeholders and contribute to the sustainable growth of society. In line with our management principles, we build healthy relationships with our employees and partner companies by complying with international human rights norms and laws, and

by constantly monitoring and improving our human rights impacts throughout our supply chain. We also provide a safe working environment for employees through our consultation service and the Business Ethics Helpline and have strengthened our systems to prevent negative impacts on human rights.

Establishment of Consultation Service and Helpline

Okinawa Cellular has established its consultation service and helpline to provide a safe working environment for employees and has built a system that can respond promptly and appropriately to problems faced by employees.

Specifically, we have established the Secretariat of the Business Ethics Committee, law firm hotlines, a parent company helpline, and a dial service hotline. These channels provide appropriate responses and

advice on issues such as harassment, compliance, workplace environment, labor issues, discrimination, and unfair treatment. Anonymous reporting is also available, and we are committed to protecting the privacy of whistleblowers.

Through these channels, Okinawa Cellular listens to employee feedback and remains dedicated to maintaining a healthy workplace environment.

Basic Policy on Customer Harassment

The Okinawa Cellular Group has adhered to its Code of Conduct of "providing services that earn customer trust" and has aimed to become "the Company that is closest to our customers." We take the valuable feedback and requests from our customers seriously and are dedicated to delivering services and products that continually enhance customer satisfaction.

On the other hand, there have been cases where

employees of the Group and its subcontractor companies have been confronted with verbal abuse and unreasonable demands. In response to this situation, we believe it is important to respect the human rights of our employees and maintain a safe and secure working environment. Therefore, we have established a "Policy on Customer Harassment."

Role of the Board of Directors

Okinawa Cellular's Board of Directors consists of nine members, including three outside directors and six internal directors, as of the end of June 2025. In fiscal 2024, the Board of Directors held nine meetings.

At each meeting, active discussions are held. The outside directors, who possess sufficient management experience as well as expertise in governance, ask questions and provide advice from diverse

perspectives on the business execution by the executive management, fostering constructive and well-balanced deliberations.

Furthermore, the Board of Directors endeavors to obtain necessary information on changes in the business environment, important legal revisions, and trends related to corporate governance by holding off-site meetings as needed and through other measures.

Analysis and Evaluation of the Board of Directors' Effectiveness

Purpose

To gain an accurate understanding of the current state of the Board of Directors and work on continuous improvement, the Company conducts regular self-evaluations of the Board's effectiveness.

Overview of the Evaluation Process

- Respondents and composition: a total of 13 members, consisting of nine directors (including three outside directors) and four corporate auditors (including three outside corporate auditors).
- Methodology: A questionnaire-based survey combining a five-point rating scale with free comments, enabling both quantitative and qualitative evaluations to verify the effectiveness of the Board's initiatives and identify areas for improvement.

- In designing the questionnaire items, aggregating the responses, and organizing the identified issues and improvement measures, a third-party organization is engaged to ensure objectivity and further enhance the effectiveness of the Board.

Summary of Evaluation Results

The overall rating has exceeded 4.5 out of 5, indicating that the effectiveness of the Board of Directors has been highly evaluated.

Among the questions, however, those with relatively lower ratings suggest areas where there may be some awareness of issues and expectations for further improvement. It was pointed out that it is desirable to analyze the content by taking into account the related comments, consider the necessity of taking action, and make responses in order of priority.

Summary of Analysis Results

	Item	Identified Awareness of Issues	Direction for Response
Awareness of Issues and Expectations	Enhancement of discussions and exchange of opinions on key topics	Further discussions and information sharing are desirable on management strategies and plans as well as growth strategies.	Establish informal deliberation opportunities, hold multiple deliberations, create an annual agenda, and review criteria for matters to be discussed.
	DX Promotion	Reports and information sharing from a broader perspective on systems, plans, and other matters are required.	Share among directors the recognition of information necessary for monitoring and the appropriate frequency of reporting.
	Sharing of deliberation status by the Nomination and Compensation Committee	Further information sharing on the deliberation status of the Nomination and Compensation Committee is desirable.	Share a common understanding among directors of the content to be reported to the Board of Directors.
	Oversight of management talent development	Further initiatives for management talent development are required from a medium- to long-term perspective.	Confirm whether the operational status is appropriately reported and discuss the role of the Nomination and Compensation Committee.

Expertise and Experience of Directors and Corporate Auditors

Name	Position	Expertise, Experience, and Other Attributes					
		Management and Management Strategy	Telecommunications and Technology	Sales and Marketing	Corporate Governance	Human Capital Development and Diversity	DX and New Business
Yasuaki Miyakura	Director	●		●	●	●	●
Ikuo Marugome	Director	●	●				●
Hiroki Kuniyoshi	Director	●		●	●		●
Kyuji Kamichi	Director	●		●			●
Hikaru Aharen	Director (Outside)	●			●		
Miki Fuchibe	Director (Outside)	●		●		●	
Tatsuki Yogi	Director (Outside)	●		●	●		
Makoto Takahashi	Director	●	●	●	●	●	●
Tomoko Nakayama	Director	●	●	●		●	●
Haruhiko Masuda	Full-time Corporate Auditor	●			●		●
Masatoshi Asato	Corporate Auditor (Outside)	●			●		
Yoshio Kadekaru	Corporate Auditor (Outside)	●			●		
Kyoko Nakayama	Corporate Auditor (Outside)	●			●	●	

Note: The above table indicates the areas in which particular expertise or experience is expected and does not represent all the expertise, experience, and other attributes possessed by each director and corporate auditor.

Definition of Each Skill and Rationale for Appointment

Management and Management Strategy	Extensive knowledge and experience in overall management strategy necessary to formulate and execute medium- to long-term management and growth strategies based on the Company's management principles, and to oversee their effectiveness.
Telecommunications and Technology	Professional insight, including knowledge of the latest technologies required for building, stable operation, and advancement of the networks that form the foundation of the Company's core telecommunications business, as well as for technological innovation, the achievement of carbon neutrality, and other related initiatives.
Sales and Marketing	Knowledge and experience in sales and marketing necessary to provide optimal products, services, and added value to all customers, and to formulate and implement marketing strategies for new customers.
Corporate Governance	Broad experience and professional insight in overall risk management and corporate governance necessary to establish an appropriate governance system that serves as the foundation for the Company's continuous business development and to enhance the effectiveness of management oversight across the Group.
Human Capital Development and Diversity	Knowledge and experience in human resources, education, promotion of women's participation, and other areas necessary for diversifying and developing human capital essential to sustainably advancing management in line with the Company's management principles, as well as for formulating, implementing, and overseeing strategies related to human capital development and diversity.
DX and New Business	Professional insight and experience necessary for exploring new businesses to expand growth areas centered on telecommunications, formulating and implementing strategies related to DX, and promoting innovation.

Roundtable Discussion with Outside Directors



Miki Fuchibe
Director (Outside)

Hikaru Aharen
Director (Outside)

Tatsuki Yogi
Director (Outside)

Could you please share your honest thoughts on being newly appointed as an outside director?

Fuchibe: I feel both a great sense of responsibility and a certain tension in being given the opportunity to serve Okinawa Cellular, one of Okinawa's leading companies. I am now truly feeling the weight of that responsibility. I believe my role is to work together with all employees and executives to further develop Okinawa Cellular into an even more indispensable company for Okinawa.

Yogi: Okinawa Cellular was established in 1991 through the collaboration between the Okinawan and Japanese business communities, driven by a strong desire to contribute to Okinawa. I was deeply impressed to learn that the founding principles continue to be valued among employees even today. I believe this is not merely a corporate practice, but a testament to the Company's continued commitment to honoring its promise to the local community. As an outside director, I intend to take responsibility, while fully embracing this historical background and corporate philosophy, in helping ensure that Okinawa Cellular continues to be a company that delivers security and trust through the stable provision of telecommunications infrastructure.

From your outside perspective, what are your impressions of Okinawa Cellular?

Aharen: Okinawa Cellular is a truly unique company. The founding spirit remains ingrained throughout the organization, and this spirit has taken root among employees, fostering a strong culture of giving back to the local community. A company that has preserved such culture is rare, and I find it deeply appealing.

Fuchibe: I was once again reminded that the Company's philosophy is deeply woven into the organization. I believe that the fact each employee is aligned in the same direction is what underpins the Company's strength.

Yogi: As a comprehensive telecommunications company, Okinawa Cellular contributes to the local community, for example by achieving a 98% 5G population coverage rate. I recognize that this success stems from the support of the people of Okinawa and that the Company continues to practice community-based management.

Aharen: When a large-scale network disruption occurred in July 2022, all the people of Okinawa realized how critical it was when Okinawa Cellular's network was unavailable. The Company also deeply recognized the weight of its responsibility. I strongly feel that, based on that reflection, the Company has since strengthened its resolve to never allow its network to go down as a telecommunications infrastructure company.

What do you think is the most important role of an outside director?

Aharen: Okinawa Cellular always keeps in mind how much

effort it devotes to serving the local community. I believe it is important to closely observe whether the Company maintains an easy-to-use communications network, provides customer-friendly services, and takes other such initiatives as an outside director. Because our focus is always on Okinawa, decisions can be made quickly, and the Company can act swiftly for the local community. I see my role as helping to further enhance these strengths and advance the Company's growth.

Fuchibe: In the past, I worked with Okinawa Cellular's executives in my role as a corporate auditor, but from now on, as an outside director, I hope to create more opportunities for open exchange of opinions. Both I and the other outside directors are well versed in the Okinawan economy, and I believe this will lead to a wider range of perspectives and ideas. By fostering an environment that allows for candid, unconstrained dialogue, I intend to promote broader communication.

Yogi: While respecting the founding spirit, I intend to exchange opinions with a heightened perspective as one of the stakeholders. I recognize that management always involves certain risks, but rather than being overly conservative, I will encourage a management approach that aims for further progress.

As a listed subsidiary, what do you think is needed for Okinawa Cellular?

Aharen: Under the unique structure of a parent-subsidary listing, how Okinawa Cellular maintains its independence has become an important focus. I believe that Okinawa Cellular's philosophy of "All for Okinawa!" helps the Company maintain its independence from its parent company. In addition, to establish a more rigorous governance system, the Company has enhanced transparency by conducting deliberations on conflict-of-interest transactions and by establishing a Nomination and Compensation Committee mainly composed of independent outside officers.

Fuchibe: Precisely because Okinawa Cellular is a listed company, I believe establishing a robust governance system is essential. Independent outside directors and independent outside corporate auditors take the lead in determining whether to proceed with transactions that may pose conflicts of interest, following multifaceted discussion.

How do you evaluate Okinawa Cellular's initiatives in sustainability, ESG, and human capital?

Aharen: Okinawa Cellular is making highly progressive efforts, such as declaring its carbon neutrality and developing businesses that aim to solve local issues. I believe these are also responsibilities as a leading company.

Fuchibe: The social responsibilities of a telecommunications company are substantial. For instance, countermeasures

against online crimes such as "It's me" scams are an important part of ESG initiatives. As for human capital, I hope to see the Company take a more proactive approach to promoting women's participation.

Yogi: I believe the key to promoting women's participation lies in creating an environment where women can flexibly play active roles. Beyond establishing systems, it is vital to build a truly comfortable workplace environment. The ideal environment is a place where employees can balance work with childcare and household responsibilities. If a framework that allows people to work while supporting one another — rather than simply taking time off — is established, it will enable diverse work styles, including for single men.

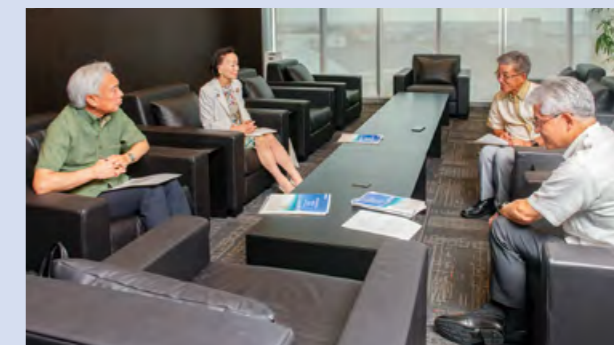
What do you see as Okinawa Cellular's medium- to long-term challenges?

Aharen: The telecommunications business is easily affected by population decline, making it difficult to sustain previous growth through communications alone. That is why, I believe, expanding into new, value-added businesses will become increasingly important going forward.

Fuchibe: I think accelerating profitability improvement and the creation of added value in solution and new business

fields is key. As one of the companies representing Okinawa in the GW2050 PROJECTS, I have very high expectations for Okinawa Cellular. I look forward to seeing Okinawa Cellular continue to grow as a corporation alongside the region's development and achieve sustainable management.

Yogi: To maintain medium- to long-term growth, I believe human resource development is essential. With pride in working for Okinawa Cellular, I believe that developing as many people as possible who can contribute to Okinawa will be key to sustainable growth.



Policy on Parent-Subsidiary Listing

Okinawa Cellular is listed on the Tokyo Stock Exchange Standard Market. The Company intends to maintain its parent-subsidary listing relationship with KDDI and fully recognizes the significance of doing so. Established in 1991 with the support of several leading Okinawan companies, Okinawa Cellular has since pursued community-based business operations. The Company believes that leveraging the assets and robust business foundation of the KDDI Group while contributing to Okinawa's local community and economy as an independent listed company is essential to enhancing corporate value.

The Company identifies three key purposes for maintaining its parent-subsidary listing relationship.

Returns to Investors

The first purpose is to provide returns to investors. As a listed company, Okinawa Cellular will meet the expectations of local companies that supported it at the time of its founding and of investors who have sustained its growth over many years through shareholder return initiatives. Decisions on dividend policy are made independently by Okinawa Cellular, taking into account the balance between medium- to long-term business growth and shareholder returns.

Contribution to Employment and Securing Talent in Okinawa

The second purpose is to contribute to employment and secure talented human resources in Okinawa Prefecture. Okinawa Cellular's business area is limited to Okinawa Prefecture and this characteristic aligns well with the aspirations of many local people who wish to build their careers in their home region. The Company's credibility as a listed company also helps attract highly talented human resources, thereby contributing

to creating local employment and to revitalizing the Okinawan economy.

Gaining the Trust of Okinawan Residents and Expanding Business

The third purpose is to gain the trust of Okinawan residents and expand business. By offering not only high-quality services comparable to those of KDDI but also unique services tailored to local needs, Okinawa Cellular has earned the trust of the people of Okinawa. As a community-based listed company, this trust serves as a vital foundation for promoting service use and increasing the number of contracts.

To prevent conflicts of interest in transactions with KDDI and to ensure the protection of minority shareholders, the Company has established a rigorous governance system. Independent outside directors and independent outside corporate auditors take the lead in determining whether to proceed with transactions that may pose conflicts of interest, following multifaceted discussion. Additionally, the Company has established a voluntary committee, primarily comprising independent outside directors, to deliberate on the nomination and compensation of officers and to enhance transparency in management. Officers who concurrently serve as directors of both KDDI and Okinawa Cellular are completely excluded from resolutions and deliberations involving matters related to both companies, thereby ensuring independence.

While respecting mutual independence and autonomy, Okinawa Cellular will continue to operate its business in collaboration with KDDI, striving to contribute both to the development of Okinawan society and to the enhancement of its corporate value going forward.



Materiality 7

Advancing Stakeholder Engagement

- Building strong relationships with all stakeholders, including local communities, employees, customers, agents, suppliers, and shareholders

Recognizing Employees with Exceptional Customer Service Skills: "CX AWARD"

Okinawa Cellular has been hosting the CX AWARD annually since 2008 with the goal of improving customer satisfaction, marking its 16th event in 2024. This award program honors shop staff for their customer service skills and professional expertise. In 2024, seven CX specialists represented approximately 550 shop staff from across Okinawa Prefecture. Through role-playing sessions that simulated real customer interactions, participants competed in their ability to provide personalized service and demonstrate

professional expertise, based on the philosophy of delivering inspiring customer experiences. In addition to recognizing participants for their skills and achievements, the event also contributes to sharing best practices and knowledge among staff members working at agencies and au shops. By hosting the CX AWARD, the Company has further strengthened its relationships with agencies, helping to enhance service quality, promote human resource development, and ultimately improve overall corporate competitiveness.



Expressing Gratitude to All Customers: "Okinawa Cellular Thanks Festival" Held for Three Consecutive Years

Okinawa Cellular held the "2025 Okinawa Cellular Thanks Festival" at its head office over two days to express gratitude to Okinawa Cellular users and residents of the prefecture. First launched in 2023, this event has now been held for the third consecutive year. Employees worked together to organize thoughtfully designed programs that guests of all ages, from children to adults, could enjoy.

Activities included the "Anywhere Bungee VR," where visitors could experience bungee jumping

through virtual reality goggles; an "Upcycling Workshop" to create one-of-a-kind keychains from marine plastic waste; and a hands-on participation event featuring the next-generation digital sport Cyber KASSEN. Many local residents enjoyed these engaging programs.

As part of its community contribution efforts, the Okinawa Cellular Group and Altius Link, Inc. collected and donated food and other goods from employees, visitors, and local companies to charitable organizations.



Solving Social Issues and Contributing to Local Communities through the Children's Fund

Okinawa Cellular established the Okinawa Cellular Children's Fund in fiscal 2016 and has since been making donations to organizations that support children within Okinawa Prefecture. The fund is operated and funded by a portion of the Okinawa Cellular Group's revenues, aiming to help solve regional issues such as child poverty and development challenges.

In fiscal 2024, Okinawa Cellular donated a total of 3 million yen, with each of ten local organizations working to address child poverty issues receiving 300,000 yen. The Company hopes that these contributions will support children's healthy development and nurture hope for their future. Going forward, Okinawa Cellular

will continue to steadily promote initiatives aimed at realizing a sustainable society as a company rooted in the local community.



IR Activity Report

Approach to Disclosure in IR Activities

Through proactive IR activities, Okinawa Cellular works to enhance corporate value while building relationships with shareholders and investors. The Company regards building trust with shareholders and investors as a top management priority, and will continue to pursue value-based management, proactively disclose information, and enhance effective communication.

Fair Disclosure Rules

The Fair Disclosure Rules require that when a company provides undisclosed financial or other important information to a limited number of institutional investors and other investors, the same information must be disclosed promptly to other investors.

With expert advice based on these guidelines, the Company has established internal systems to prevent any violation of these rules.

IR Framework

The Company's basic IR policy is to ensure timely and fair disclosure, communicate accurate information in an easy-to-understand manner, and enhance the quality of disclosed information.

Specific initiatives include quarterly financial

briefings for institutional investors and regular briefings for individual investors to expand opportunities for dialogue. Opinions and feedback received through IR activities are reported by the responsible executive director to the Board of Directors as necessary.

IR Activities for Institutional Investors

For institutional investors, the Company communicates primarily through financial results briefings and individual meetings.

The Company also ensures timely disclosure of information on its corporate website and provides English-language reports and IR support services to overseas institutional investors.

Reference

- 1) Financial results briefings: 4 times/year
- 2) Individual meetings: 1.5× YoY (37 → 55)
 - Domestic institutions: 43 times
 - Overseas institutions: 12 times
- 3) Timely disclosure of investor information on the website
- 4) Information distribution to overseas investors through IR support services

IR Activities for Individual Investors

In fiscal 2024, the Company held five seminars for individual investors, reaching approximately 2,200 participants. In addition, the Company provides timely disclosure of information, such as transcripts of financial results briefings, on its investor relations website.

Reference: Key Initiatives

- 1) Individual investor seminars
 - In-person: 4 events (fiscal 2024)
 - Online: Sessions via Logmi Finance
- 2) Posting transcripts of financial briefings (4 times/year)
- 3) Timely disclosure of investor information on the website

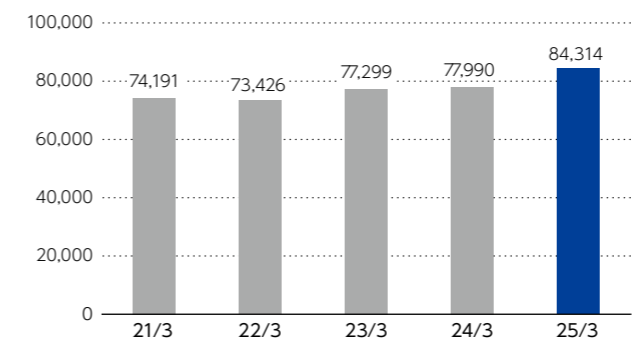


Key Financial Data

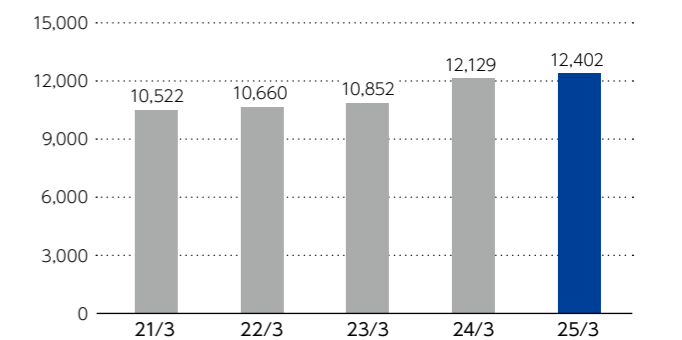
(JPY mn)

	2021/3	2022/3	2023/3	2024/3	2025/3
Operating revenues	74,191	73,426	77,299	77,990	84,314
Operating income	14,450	15,222	15,932	17,014	17,761
Operating profit margin (%)	19.5	20.7	20.6	21.8	21.1
Net income attributable to owners of the parent	10,522	10,660	10,852	12,129	12,402
ROE (%)	11.9	11.4	11.1	12.5	12.9
Capital expenditures (completion basis)	5,636	12,192	5,460	8,597	5,735
Depreciation	6,837	6,852	6,182	6,471	6,585
Total dividends	4,371	4,515	4,637	5,352	5,870
EPS (JPY)	194.25	198.58	204.58	244.93	260.52
Annual dividend per share (JPY)	81.00	84.00	88.00	110.00	124.00
Dividend payout ratio (%)	41.7	42.3	43.0	44.9	47.6
Cash flow from operating activities	19,066	18,774	14,642	11,330	15,092
Cash flow from investing activities	-13,106	-13,824	-3,938	4,913	-3,573
Free cash flow	5,960	4,950	10,704	16,244	11,518
Cash flow from financing activities	-6,235	-4,854	-10,633	-16,346	-11,174
Cash and cash equivalents at end of period	3,097	3,193	3,263	3,162	3,506
Interest-bearing debt	308	199	106	44	11
Shareholders' equity	91,034	96,417	98,877	95,085	96,542
Total assets	112,179	118,609	119,651	115,573	118,266

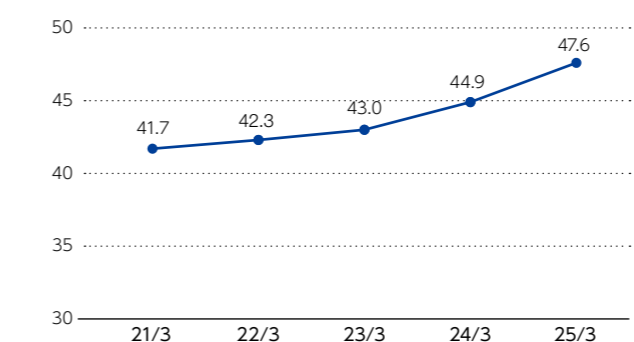
■ Operating Revenues (JPY mn)



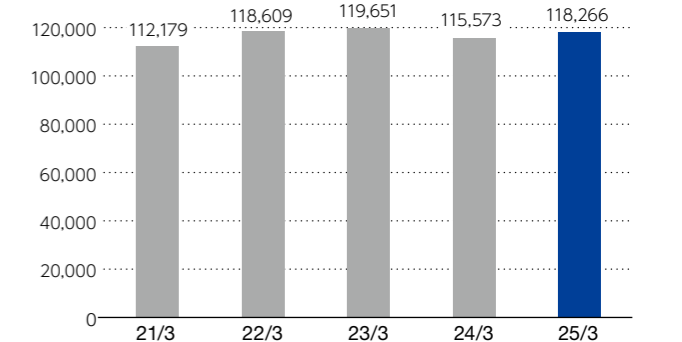
■ Net income attributable to owners of the parent (JPY mn)



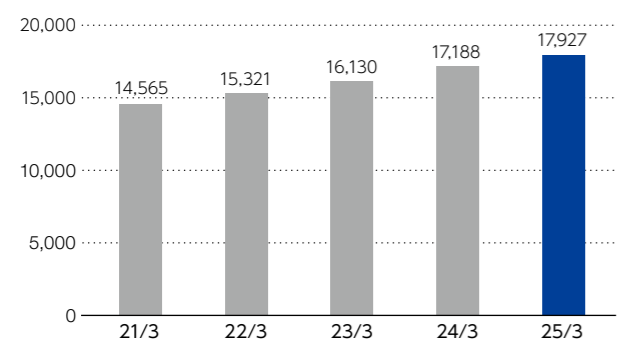
■ Dividend payout ratio (%)



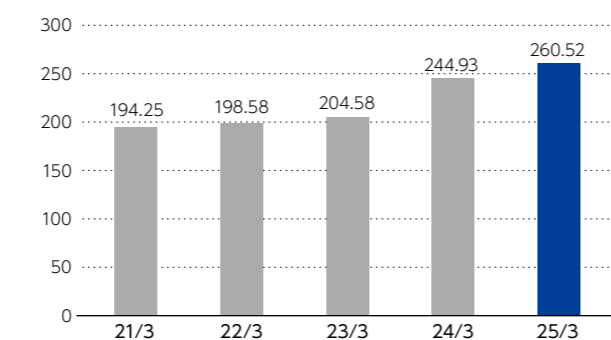
■ Total assets (JPY mn)



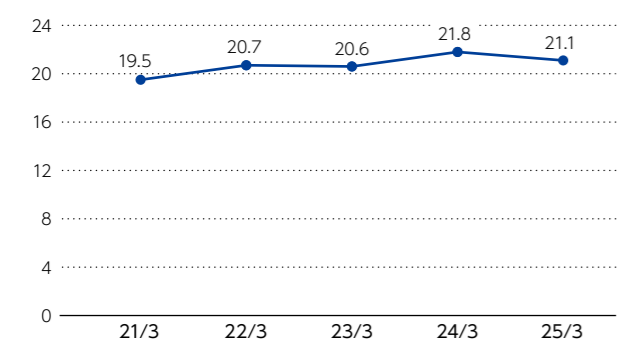
Ordinary income (JPY mn)



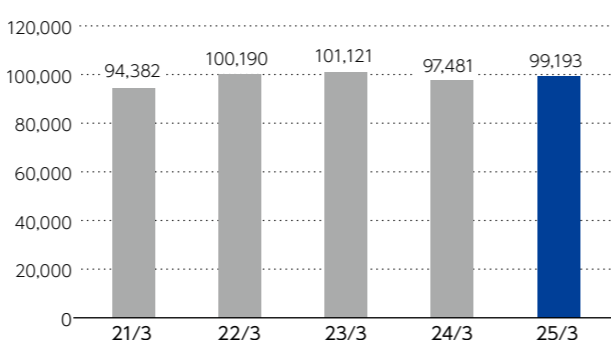
EPS (JPY)



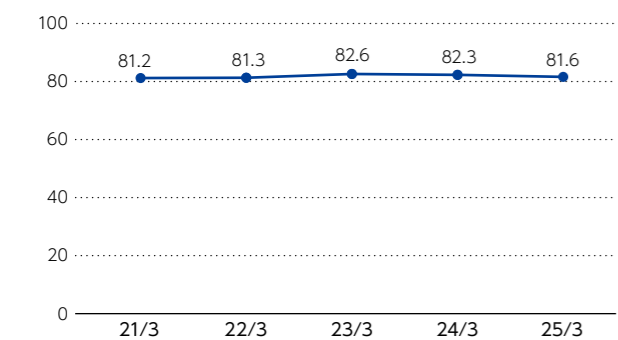
Operating profit margin (%)



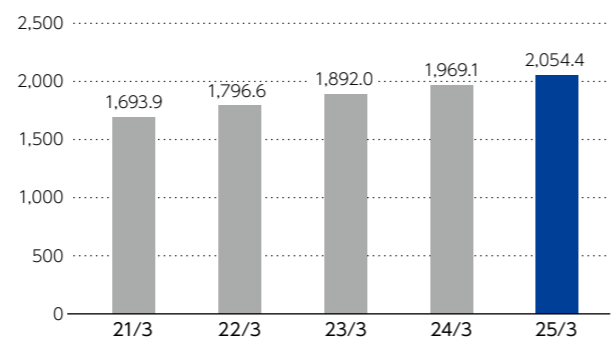
Net assets (JPY mn)



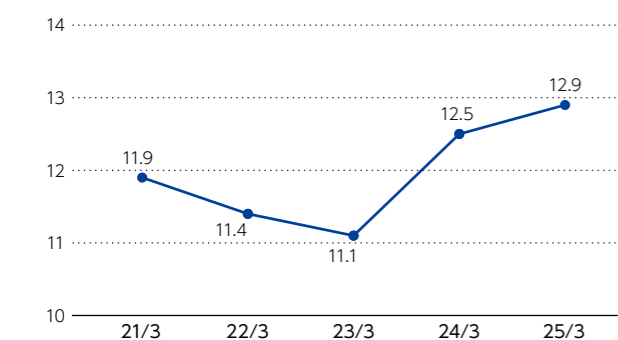
Capital adequacy ratio (%)



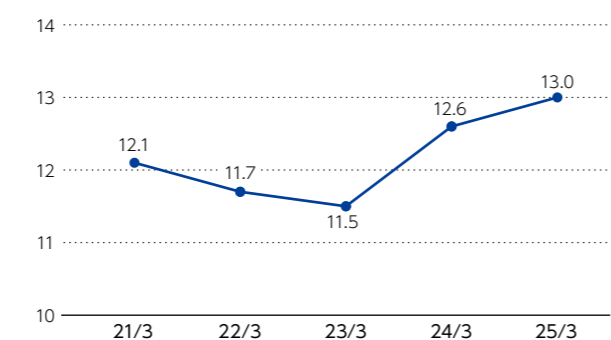
Book value Per Share (BPS) (JPY)



ROE (%)



ROIC* (%)



* ROIC = NOPAT (Net Operating Profit After Tax: Operating profit – Total corporate taxes) / Invested capital (Interest-bearing debt + Equity [excluding non-controlling interests]).

ESG Data

Environmental Data

	Unit	FY2021	FY2022	FY2023	FY2024	Boundary
Scope 1 GHG emissions	tCO ₂	15	24	85	0	Consolidated
Scope 2 GHG emissions	tCO ₂	25,004	13,763	12,497	0	Consolidated
Electricity consumption	thousand kWh	39,909	30,014	27,661	30,258	Consolidated
City gas consumption	sm ³	3,363	4,287	3,522	3,801	Consolidated
Kerosene consumption	kl	3,248	6,045	31,052	1,612	Consolidated
Water use (tap water, recycled water, well water, sewage water, water supply and sewerage)	m ³	14,230	19,011	20,075	24,371	Consolidated
Industrial waste generation	t	108	591	461	239	Non-consolidated

* Some of the environmental data presented in this report are subject to the third-party assurance by LRQA (limited assurance) for KDDI, including its consolidated group companies. or details and the latest information, please click [here](#).

Social Data

Employment

Number of Employees

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
Male	people	167	171	187	194	207	Non-consolidated
Female	people	81	86	93	108	118	
Total	people	248	257	280	302	325	
Retirement rate	%	1.2	1.5	3.3	2.8	2.2	

* Retirement rate: excluding those who have reached the mandatory retirement age

Departing Employees in fiscal 2024

	Unit	Early retirement	Voluntary retirement	Involuntary retirement	Transfer	Others*1	Mand*1atory retirement	Total*2	Total number of retirees	Boundary
Male	people	0	3	0	0	0	6	3	9	Non-consolidated
Female		0	4	0	0	0	1	4	5	
Total		0	7	0	0	0	7	7	14	

*1 Resigning upon expiration of sick/injury leave. *2 Excluding those reaching mandatory retirement age.

Recruitment

	Unit	Gender	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
New graduate recruitment	people	Male	6	8	3	6	5	Non-consolidated
		Female	2	8	3	6	4	
		Total	8	16	6	12	9	
Mid-career recruitment	people	Male	0	3	18	15	16	Non-consolidated
		Female	2	1	8	12	9	
		Total	2	4	26	27	25	

Employment of Persons with Disabilities

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
Employment of Persons with Disabilities	%	2.82	2.57	2.63	2.83	3.40	Non-consolidated

Employee Training

DX Basic Training

	Unit	FY2022	FY2023	FY2024*	Boundary
Training hours per employee	hours/person	18	18	7	Non-consolidated
Total training hours	hours	2,628	2,970	413	

* The Company revised its basic training curriculum in fiscal 2024 and conducted intensive training programs focused on developing a fundamental understanding of DX literacy required for all employees.

DX Core Specialized Skills Training

	Unit	FY2022	FY2023	FY2024	Boundary
Training hours per employee	hours/person	16	35	31	Non-consolidated
Total training hours	hours	496	807	2,088	

Social Contribution Expenses

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
Total donation	million yen	42	125	24	112	51	Non-consolidated

Information Security

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
Number of infringements by computer viruses, etc.	cases	0	0	0	0	0	Consolidated

Governance Data

Anti-Corruption and Legal Compliance

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	Boundary
Political donations (in Japan)	10 thousand yen	20	1	0	0	0	Consolidated
Number of corruption case	cases	0	0	0	0	0	

Stock Information

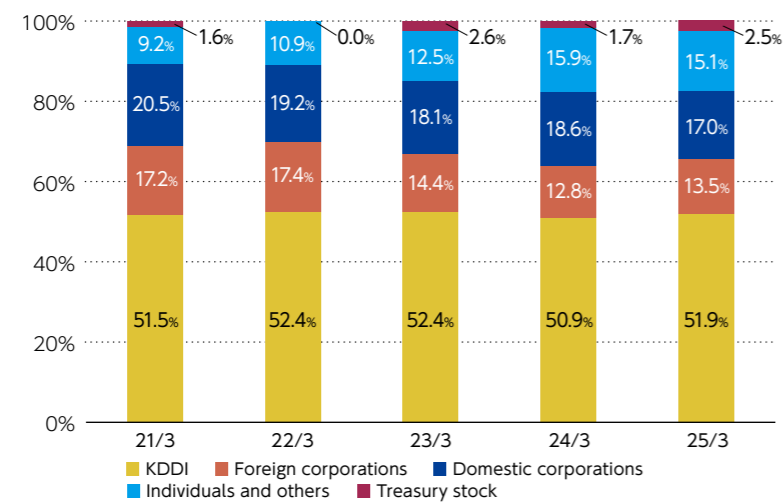
Number of Shareholders

(Companies / persons)

	21/3	22/3	23/3	24/3	25/3
KDDI	1	1	1	1	1
Foreign corporations	180	208	241	244	256
Domestic corporations	212	228	274	316	311
Individuals and others	22,162	32,375	44,558	55,874	53,416
Treasury stock	1	1	1	1	1
Total	22,556	32,813	45,075	56,436	53,985

Number of Shares

	21/3	22/3	23/3	24/3	25/3
KDDI	14,086,000	14,086,000	28,172,000	25,071,582	25,071,582
Foreign corporations	4,704,024	4,689,401	7,734,222	6,292,122	6,507,180
Domestic corporations	5,596,470	5,173,637	9,745,391	9,153,466	8,194,073
Individuals and others	2,511,846	2,928,328	6,696,957	7,850,424	7,316,567
Treasury stock	443,660	534	1,407,230	854,688	1,225,580
Total	27,342,000	26,877,900	53,755,800	49,222,282	48,314,982



External Evaluations

Awarded the Highest Rating of Gold in the PRIDE Index

Recognized as a White 500 Enterprise of the 2025 Health Outstanding Organizations Recognition Program

Certified as a DX Certified Operator under the DX Certification System by the METI

Received the Platinum Certification of WELL Building Standard™ v2

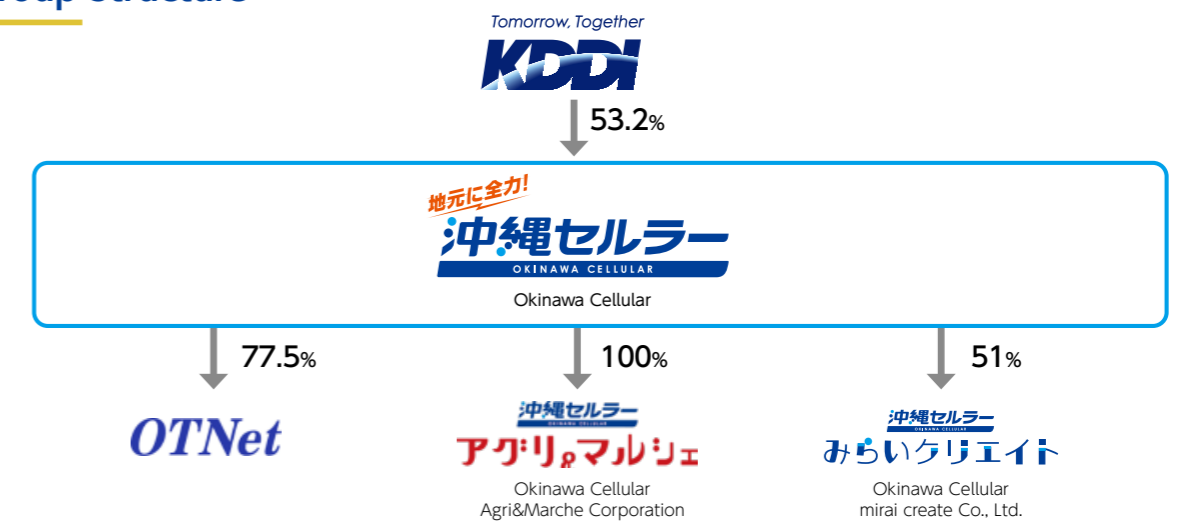
Certified among the "Top 100 Leading Companies in Okinawa"

Corporate Information As of March 31, 2025

Company name	Okinawa Cellular Telephone Company
Establishment	June 1, 1991
Location	1-2-1 Matsuyama, Naha City, Okinawa, Japan
Representative Director and President	Yasuaki Miyakura
Capital	1,414 million yen
Number of employees	521 (Consolidated)
Total assets	118.2 billion yen
Total net assets	99.1 billion yen
Capital adequacy ratio	81.6%
Operating revenues	84.3 billion yen
Operating income	17.7 billion yen
Net income	12.4 billion yen * Net income attributable to owners of the parent



Group Structure



* Figures represent the percentage of shares held to the total number of shares issued (excluding treasury shares). As of March 2025

Business Overview

Telecommunications business

Mobile service

FTTH service

Growth Areas

- Energy business
 - au でんき (au Denki)
- Business services
- Solving social issues in Okinawa through business creation
 - アグリ&マルシェ (Okinawa Cellular Agri&Marche Corporation)
 - JOTO ホームドクター (JOTO Home Doctor)