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**Hokkaido Electric Power Co., Inc.**

# Financial Results for FY2026 2Q

November 7, 2025

Hokkaido Electric Power Co., Inc.

## Financial Results and Forecasts

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## Reference Materials

- [HEPCO Group Management Vision 2035](#)
- [Capital Investment and Cash Flow](#)
- [Actual Demand for the Hokkaido Area](#)
- [Demand in the Hokkaido area \(based on the forecast by the OCCTO\)](#)
- [Our share in the Hokkaido region](#)
- [Plan to Develop Key Power Sources Moving Forward \(HEPCO\)](#)
- [Successful Bid in Auction for Long-term Decarbonized Power Source](#)
- [Topics for Period After FY2026 1Q Results Announcement](#)
- [Issuance of the integrated report, HEPCO Group Report 2025](#)

## Financial Results and Forecasts

## Business results

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Operating Revenue	411.9	416.7	(4.7)	(1.1)
Operating Profit	67.9	56.1	11.7	21.0
Ordinary Profit	61.9	50.7	11.1	22.0
Profit attributable to owners of parent	44.8	50.6	(5.8)	(11.5)
Basic net income per share [Yen]	214.89	243.41	(28.52)	

## Financial status

(Billion yen)

	As of September 30, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)
Assets	2,380.0	2,244.0	136.0
Net Assets	458.1	407.3	50.8
Shareholders' Equity Ratio	18.6%	17.5%	1.1%

( Billion yen )

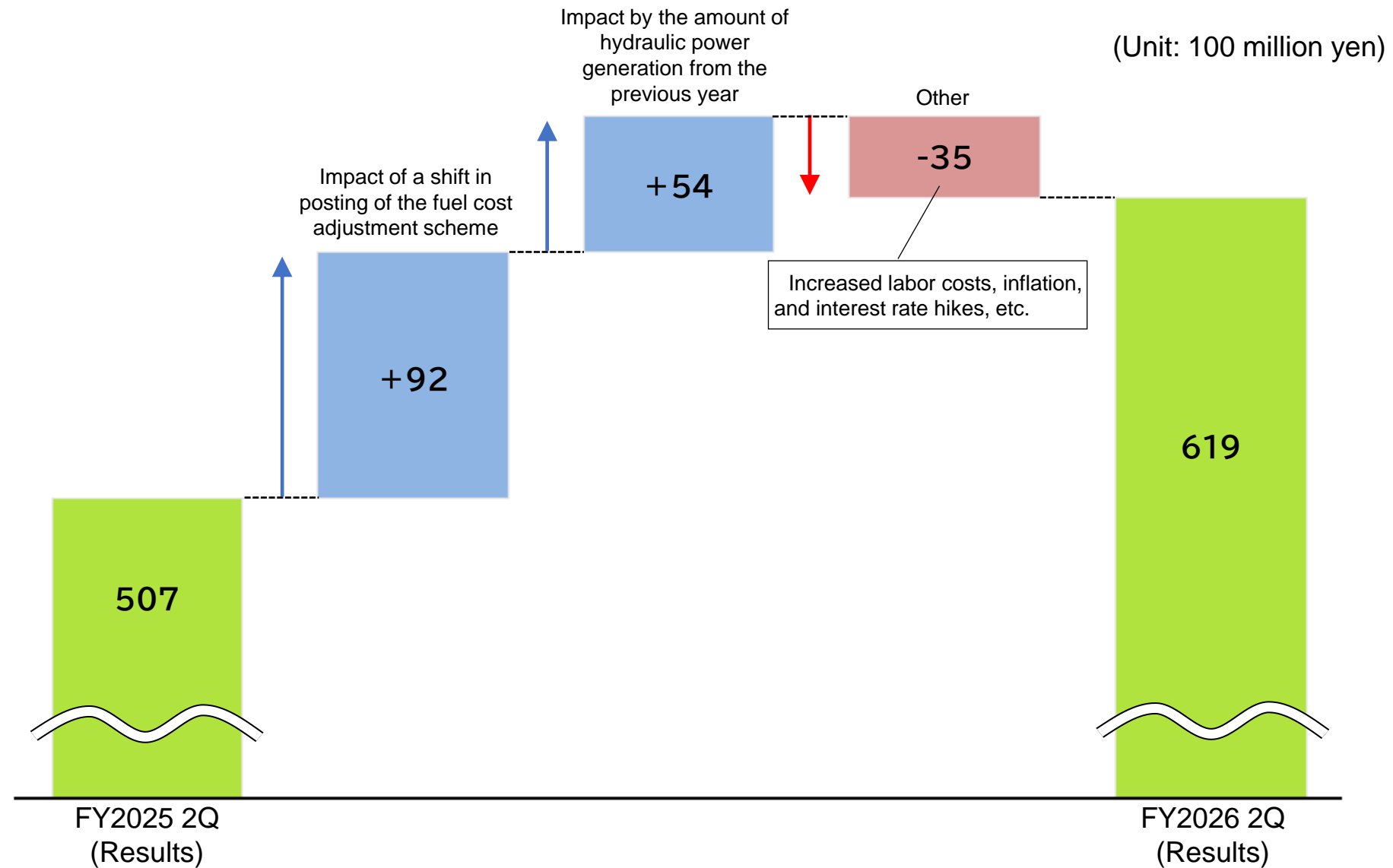
		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Ordinary Revenue	Operating Revenues	411.9	416.7	(4.7)	(1.1)
	Electricity utility operating revenue	389.0	395.3	(6.3)	(1.6)
	Other business operating revenue	22.9	21.3	1.5	7.4
	Non-operating Income	1.9	1.5	0.3	22.7
	Subtotal	413.8	418.2	(4.4)	(1.1)
Ordinary Expenses	Operating Expenses	343.9	360.5	(16.5)	(4.6)
	Electricity utility operating expenses	324.9	342.7	(17.7)	(5.2)
	Other business operating expenses	19.0	17.7	1.2	6.9
	Non-operating Expenses	7.9	6.9	1.0	14.5
	Subtotal	351.9	367.4	(15.5)	(4.2)
[Operating Profit]		[67.9]	[56.1]	[11.7]	[21.0]
Ordinary Profit		61.9	50.7	11.1	22.0
Provision or reversal of reserve for fluctuation in water levels		0.4	(0.7)	1.1	—
Extraordinary income		1.2	19.0	(17.8)	(93.7)
Profit before income taxes		62.6	70.5	(7.8)	(11.1)
Income taxes		17.6	19.7	(2.0)	(10.5)
Profit		45.0	50.7	(5.7)	(11.3)
Profit attributable to non-controlling interests		0.1	0.0	0.0	96.8
Profit attributable to owners of parent		44.8	50.6	(5.8)	(11.5)
(Appendix)	Comprehensive Income	53.7	51.5	2.1	4.1

Operating revenue (Decrease)	Operating revenue decreased by 4.7 billion yen year-on-year to 411.9 billion yen mainly due to a decrease in the fuel cost adjustments associated with the decline in fuel prices and other factors.
Ordinary profit (Increased)	Ordinary income rose by 11.1 billion yen year-on-year, reaching a total of 61.9 billion yen. This increase was primarily attributable to the impact of time difference gains under the fuel cost adjustment system, which resulted mainly from a decline in fuel prices, as well as lower fuel costs due to an increase in hydroelectric power generation.
Profit attributable to owners of parent (Decrease)	Profit attributable to owners of parent was 44.8 billion yen, a decrease of 5.8 billion yen from the same period of the previous fiscal year, reflecting the decrease in gains on the nuclear fuel sale posted as extraordinary income, despite an increase in ordinary income.

# Consolidated Financial Results for FY2026 2Q

— Year-on-year changes in ordinary income

Hokkaido Electric Power Co., Inc.



Factoring in recent trends, we revised the FY2026 consolidated earnings forecast released on July 31, 2025.

(Unit: Billion yen, billion kWh)

	FY2026 earnings forecast			YoY change for new forecast
	New forecast (A)	July forecast (B)	Change (A) – (B)	
Operating Revenue	Approximately 868.0	Approximately 863.0	Approximately 5.0	Approximately (34.0)
Operating profit	Approximately 57.0	Approximately 54.0	Approximately 3.0	Approximately (18.0)
Ordinary profit	Approximately 43.0	Approximately 40.0	Approximately 3.0	Approximately (21.0)
Profit attributable to owners of parent	Approximately 28.0	Approximately 26.0	Approximately 2.0	Approximately (36.0)
Year-on-year change/ Retail electricity sales and electricity sales to other utilities*	Approximately 2.5% Approximately 34.4	Approximately 2.3% Approximately 34.3	Approximately 0.1	Approximately 0.8
Year-on-year change Retail electricity sales*	Approximately (0.4%) Approximately 22.7	Approximately (0.4%) Approximately 22.7	Approximately the same	Approximately (0.1)

\* Retail electricity sales and electricity sales to other utilities comprise of the combined sales of HEPCO and Hokkaido Electric Power Network.

## Key Factors

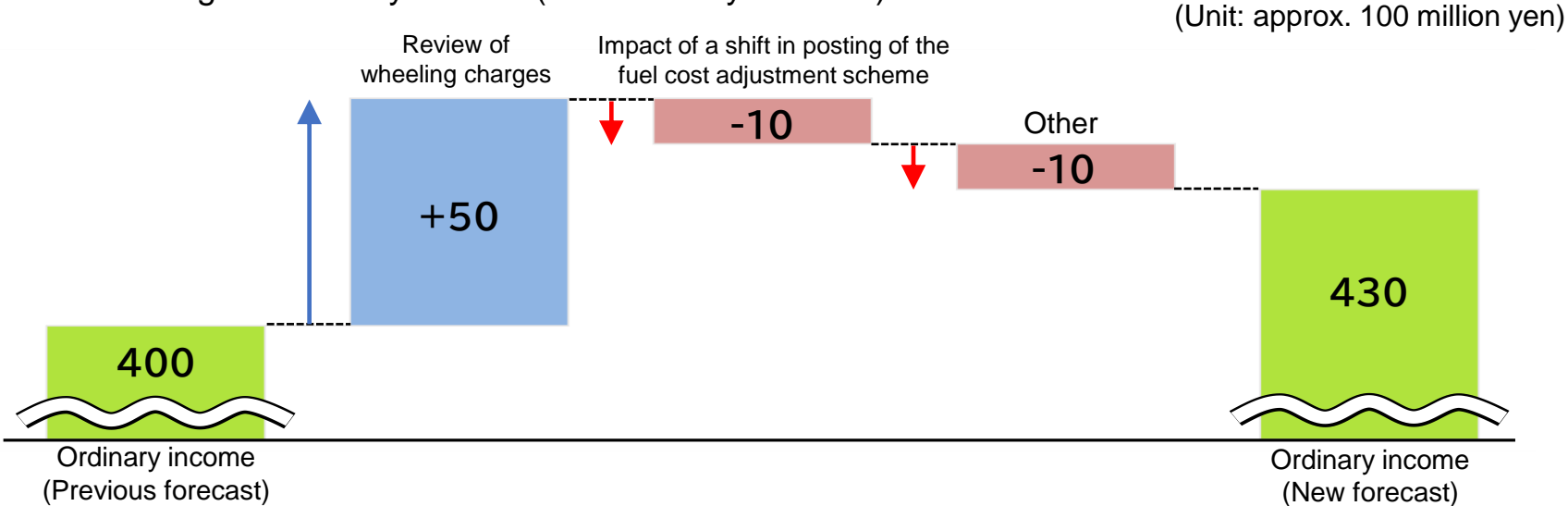
Foreign exchange rate (JPY per USD)	Approximately 145	Approximately 145	Approximately the same	Approximately (8)
CIF crude oil price (USD per barrel)	Approximately 75.0	Approximately 75.0	Approximately the same	Approximately (7.0)

Note: We assume a foreign exchange rate of about 145 yen per dollar and the CIF crude oil price of about 75 dollar per barrel for October 2025 and thereafter.



Electricity Sales	Retail electricity sales are trending roughly in line with our forecast. Electricity sales to other utilities are expected to increase mainly due to an increase in direct wholesales. Accordingly, the total for electricity sales is forecast to be around 34.4 billion kWh, an increase of 100 million kWh in contrast with the forecast announced in July 2025.
Operating revenue	Operating revenue is expected to be approximately 868.0 billion yen, an increase of 5.0 billion yen compared to the July announcement, due to factors such as the impact of the revision of the wheeling service tariff in the Hokkaido Electric Power Network.
Ordinary Income	Ordinary income is expected to be approximately 43.0 billion yen, an increase of 3.0 billion yen compared to the July announcement, due to factors such as the impact of the revision of the wheeling service tariff in the Hokkaido Electric Power Network.
Profit attributable to owners of parent	We anticipate profit attributable to owners of parent of around 28.0 billion yen, an increase of 2.0 billion yen versus the outlook we announced in July 2025, mainly due to an increase in ordinary income.

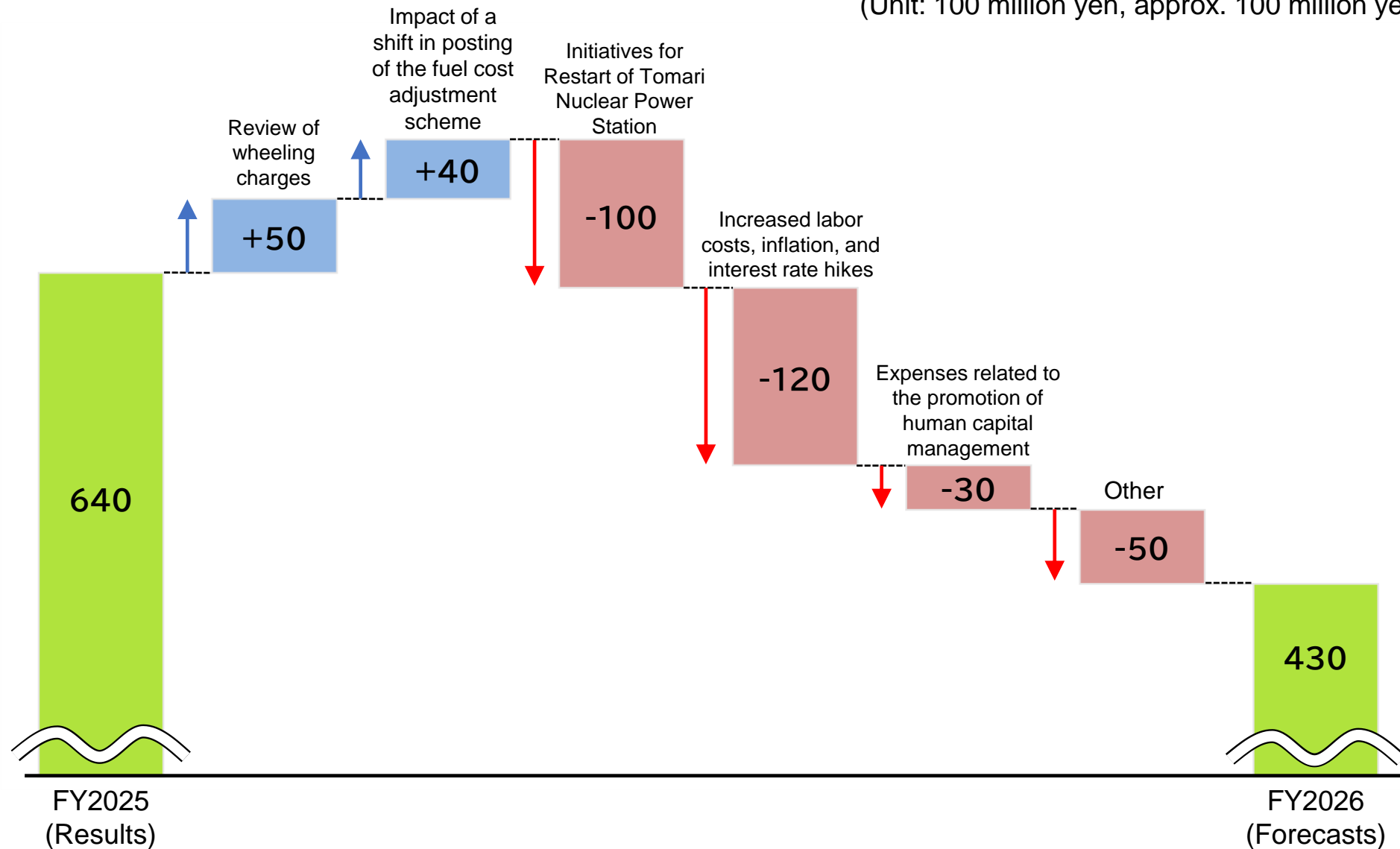
< Factors behind the change in ordinary income (from the July forecast) >



# Forecasts of Consolidated Financial Performance for FY2026 (Ending March 2026) – YoY changes in ordinary income

Hokkaido Electric Power Co., Inc.

(Unit: 100 million yen, approx. 100 million yen)



- The Board of Directors decided at a meeting held on today that, as per the previously announced dividend forecast, the interim dividend for FY2026 will be 15 yen per share for common stock and 1,500,000 yen per share for Class B preferred stock, in accordance with the provisions of the Articles of Incorporation.
- We reiterate our FY2026 year-end dividend forecast from the previously announced outlook.

## 【 Cash Dividend per Share 】

	Common stock			Class-B preferred Stock		
	Interim	Year-ended	Annual total	Interim	Year-ended	Annual total
FY2025 Actual	¥10	¥10	¥20	¥1,500,000	¥1,500,000	¥3,000,000
FY2026	¥15	[¥15]	[¥30]	¥1,500,000	[¥1,500,000]	[¥3,000,000]

\*Forecasts for FY2026 are in parentheses.

- Consolidated; Electricity Sales
- Monthly Retail Electricity Sales Trends at HEPCO
- Consolidated; Statement of Operations (Revenue)
- Consolidated; Power Supply
- Consolidated; Statement of Operations (Expenses and Ordinary Profit)
- Consolidated; Segment Information
- Consolidated; Statements of Cash Flow
- (Reference) Impact of a shift in posting of the fuel cost adjustment scheme (image)
- Expense breakdown (Two Companies Total)
  - Personnel
  - Fuel and Purchased Power
  - Maintenance、Depreciation
  - Interest Expenses、Other Expenses
- Key Factors / Sensitivity Factors
- Consolidated; Statements of Balance Sheets
- Consolidated; Statements of Comprehensive Income

- Retail electricity sales volume totaled 10,150 million kWh, a decrease of 2.8% year on year, primarily due to low wholesale electricity market prices and fuel prices as well as a highly competitive business environment, while demand for air conditioners in summer expanded due to high temperatures.
- Electricity sales to other utilities totaled 6,274 million kWh, an increase of 26.7% year-over-year, mainly due to a rise in sales volume owing to an increase in the purchase of renewable energy.

(GWh)

			FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Retail electricity sales	Low-voltage customers	Residential	3,487	3,518	(31)	(0.9)
		Commercial and Industrial	586	611	(25)	(4.1)
		subtotal	4,073	4,129	(56)	(1.3)
	High-voltage and Extra high-voltage customers		6,046	6,270	(224)	(3.6)
	Subtotal (*1)		10,119	10,399	(280)	(2.7)
	Other (*2)		31	39	(8)	(22.7)
	Total		10,150	10,438	(288)	(2.8)
Electricity sales to other utility			6,274	4,952	1,322	26.7
Total			16,424	15,390	1,034	6.7

\*1 The figure in the subtotal column indicates the electricity sales volume for HEPCO.

\*2 The figure in the other column indicates the electricity sales volume for both Hokkaido Electric Power Network.

(GWh, %)

		FY2026												
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Low-voltage customers	Residential	690	635	449	536	647	530							3,487
	Commercial and industrial	167	99	66	81	94	79							586
	Subtotal	857	734	515	617	741	609							4,073
High-voltage and Extra High-voltage customers		962	931	966	1,125	1,064	998							6,046
[%YoY]		[(1.9%)]	[(2.3%)]	[(5.3%)]	[0.7%]	[(2.6%)]	[(5.1%)]							[(2.7%)]
Total		1,819	1,665	1,481	1,742	1,805	1,607							10,119

		FY 2025												
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Low-voltage customers	Residential	703	634	488	512	612	569	499	637	681	967	761	742	7,805
	Commercial and industrial	169	98	73	82	99	90	77	101	164	325	253	233	1,764
	Subtotal	872	732	561	594	711	659	576	738	845	1,292	1,014	975	9,569
High-voltage and Extra High-voltage customers		982	973	1,002	1,137	1,142	1,034	1,036	1,074	1,270	1,222	1,121	1,167	13,160
[%YoY]		[(0.5%)]	[(2.6%)]	[(1.5%)]	[(2.0%)]	[(3.1%)]	[(6.6%)]	[(4.1%)]	[0.4%]	[(2.0%)]	[(3.0%)]	[(6.5%)]	[(5.2%)]	[(3.2%)]
Total		1,854	1,705	1,563	1,731	1,853	1,693	1,612	1,812	2,115	2,514	2,135	2,142	22,729

Average temperature in Hokkaido(Sapporo)

(℃)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature (2024~2025)	actual	2.0	8.5	14.9	20.6	25.8	24.7	20.7						
	YoY	1.2	(1.9)	0.7	1.6	2.5	0.1	0.8						
	deviation	0.9	1.2	1.9	3.6	4.7	2.4	2.1						

(Unit: billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Operating Revenue	411.9	416.7	(4.7)	(1.1)	
Electric utility operating revenue	389.0	395.3	(6.3)	(1.6)	
Two companies total*					
Commercial and Industrial	269.3	278.2	(8.8)	(3.2)	【Cause of increase】 <ul style="list-style-type: none"> <li>Decrease in the discounted from the national project to mitigate a sharp increase in electricity and gas rates 7.3</li> </ul> 【Cause of decrease】 <ul style="list-style-type: none"> <li>Decrease in fuel price (7.3)</li> <li>Decrease in retail electricity sales</li> </ul>
Others	120.5	117.9	2.6	2.2	【Cause of increase】 <ul style="list-style-type: none"> <li>Increase in sales of electricity to other utilities</li> </ul> 【Cause of decrease】 <ul style="list-style-type: none"> <li>Decrease in the subsidy from the national project to mitigate a sharp increase in electricity and gas rates (7.3)</li> </ul>
Sold power to other utilities & Sold power to other suppliers (Repost)	83.8	80.9	2.9	3.6	
Transmission revenue (Repost)	24.4	19.6	4.8	24.6	
Subsidiary / consolidation revision	(0.9)	(0.8)	(0.0)	8.0	
Other business operating revenue	22.9	21.3	1.5	7.4	
Non-operating Income	1.9	1.5	0.3	22.7	
Ordinary Revenue	413.8	418.2	(4.4)	(1.1)	

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

- We secured a stable supply with the appropriate operation of supply facilities, in addition to a water supply rate of 101.8%, which surmounted levels in an average year, despite the shutdown of operations at all reactors at the Tomari Nuclear Power Station.

(GWh)

		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Generated Power	[Water flow rate %] Hydroelectric	[101.8%] 2,287	[87.2%] 1,836	[14.6%] 451	24.5
	Fossil Fuel	6,261	6,790	(529)	(7.8)
	[Nuclear capacity ratio %] Nuclear	[ – ] –	[ – ] –	[ – ] –	–
	Renewable, etc.	31	54	(23)	(42.4)
	Subtotal	8,579	8,680	(101)	(1.2)
Power received by other companies*		9,042	8,005	1,037	12.9
Power used for pumped storage, etc.		(254)	(297)	43	(14.6)
Total		17,367	16,388	979	6.0

\*The amount of electricity received from other companies includes the amount of electricity received from consolidated subsidiaries and equity method affiliates.



(Unit: billion yen)

		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Electric utility operating expenses		324.9	342.7	(17.7)	(5.2)	
Two companies total*	Personnel	27.7	28.3	(0.6)	(2.3)	
	Fuel	56.5	77.5	(20.9)	(27.0)	<ul style="list-style-type: none"> <li>Decrease in fuel prices (13.6)</li> <li>Impact by the amount of hydraulic power generation (5.4)</li> </ul>
	Purchased Power	120.8	112.4	8.3	7.5	
	Maintenance	24.7	30.6	(5.8)	(19.2)	<ul style="list-style-type: none"> <li>Increased labor costs and price increases 0.8</li> <li>Decrease in maintenance costs for electric power generation facilities (7.0)</li> </ul>
	Depreciation	32.4	33.3	(0.9)	(2.9)	
	Other Expenses	64.5	62.6	1.9	3.1	<ul style="list-style-type: none"> <li>Increased labor costs and price increases 1.3</li> </ul>
Subsidiary / consolidation revision		(1.9)	(2.2)	0.3	(14.2)	
Other business operating expenses		19.0	17.7	1.2	6.9	
Non-operating Expenses		7.9	6.9	1.0	14.5	
	Interest Expenses(Repost)	6.7	5.2	1.5	29.3	<ul style="list-style-type: none"> <li>Impact of interest rates 1.5</li> </ul>
Ordinary Expenses		351.9	367.4	(15.5)	(4.2)	
Ordinary profit		61.9	50.7	11.1	22.0	

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

(Unit: billion yen)

- Sales in the HEPCO segment totaled 352.1 billion yen, a decrease of 15.8 billion yen year-on-year, chiefly due to a decline in fuel cost adjustments in tandem with a drop in fuel prices and other factors.

Ordinary income for the segment rose by 11.0 billion yen year-on-year, reaching a total of 54.2 billion yen. This increase was primarily attributed to the impact of time difference gains under the fuel cost adjustment system, which resulted mainly from a decline in fuel prices, as well as lower fuel costs due to an increase in hydroelectric power generation.

- Sales in the Hokkaido Electric Power Network segment totaled 150.0 billion yen, an increase of 0.9 billion yen year-on-year mainly due to higher wheeling service tariff revenue as a result of the increased area demand during the hot summer.

Ordinary income for the segment totaled 4.5 billion yen, a decrease of 0.7 billion yen year-on-year, chiefly due to the increases in labor costs, commodity prices, and interest rates.

- Other sales amounted to 66.0 billion yen, an increase of 6.8 billion yen in comparison with the same period of the previous fiscal year. Meanwhile, segment ordinary income amounted to 5.5 billion yen, an increase of 1.9 billion yen from the same period of the previous year, mainly reflecting increased operations of hydroelectric power plants at subsidiaries, increased sales in the construction business, and continued cost reductions.

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)
Operating Revenue	411.9	416.7	(4.7)
Hokkaido Electric Power Company	352.1	368.0	(15.8)
Hokkaido Electric Power Network	150.0	149.0	0.9
Other *1	66.0	59.1	6.8
Adjustments *2	(156.2)	(159.4)	3.2
Segment Income/loss (Ordinary Income/loss)	61.9	50.7	11.1
Hokkaido Electric Power Company	54.2	43.1	11.0
Hokkaido Electric Power Network	4.5	5.2	(0.7)
Other *1	5.5	3.5	1.9
Adjustments *2	(2.4)	(1.1)	(1.2)

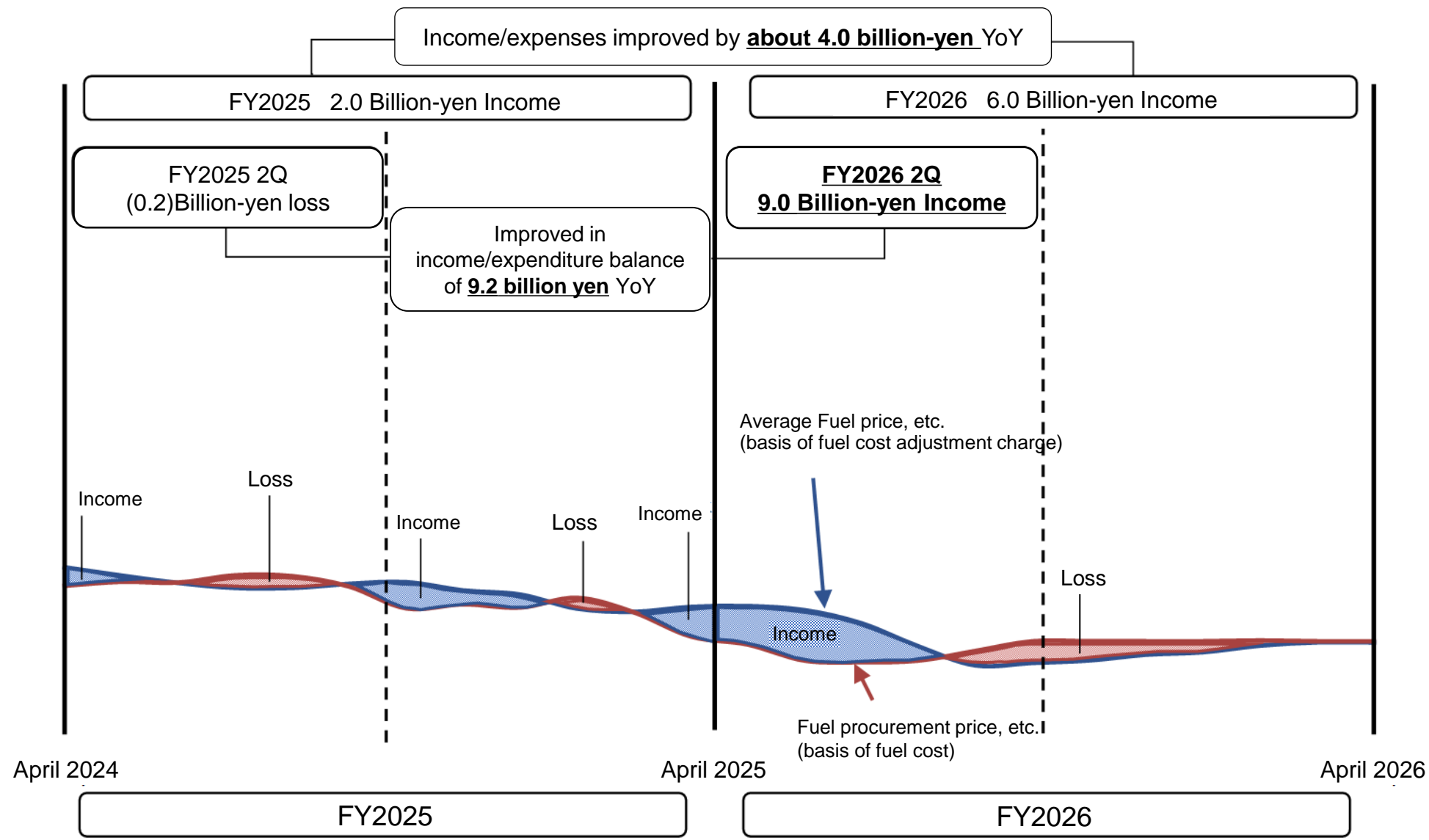
\*1 "Other" refers to the results of consolidated subsidiaries other than Hokkaido Electric Power Company and Hokkaido Electric Power Network segments.

\*2 "Adjustments" refer to the amount of elimination of inter-segment transactions in the consolidated financial results.

(billion yen)

- Cash flow from operating activities was 41.6 billion yen, down 16.2 billion yen year-over-year. This was mainly due to a decrease in net income before taxes and an increase in fuel stock and other inventories.
- Cash used in investing activities was 86.6 billion yen, up 75.2 billion yen from a year earlier. This increase was mainly due to an increase in expenditures resulting from the acquisition of fixed assets and a decrease in revenue from nuclear fuel sales.
- Cash flow from financing activities was 91.8 billion yen, up 130.9 billion yen year-over-year. This was mainly due to an increase in interest-bearing debt.
- As a result of the above, cash and cash equivalents totaled 203.1 billion yen, an increase of 46.8 billion yen year-on-year.

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)
I . Cash flows from operating activities	41.6	57.9	(16.2)
II . Cash flows from investing activities	(86.6)	(11.4)	(75.2)
Deductible cash flow [ I + II ]	(45.0)	46.4	(91.4)
III . Cash flows from financing activities	91.8	(39.1)	130.9
IV . Net increase (decrease) in cash and cash equivalents [ I + II + III ]	46.8	7.3	39.4
VI . Cash and cash equivalents at end of period	203.1	118.1	85.0



## Personnel

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
Personnel	27.7	28.3	(0.6)	

## 【Amortization of actuarial gains and losses】

\*Actuarial gains and losses are being amortized in the following 5 years in which the gains or losses are recognized by the straight-line method.

\*Interim period, 2/4 of the annual depreciation expense was posted in the current 2Q.

(Billion yen)

	Amount accrued	Amortization of the previous year	FY2026		
			Amortization	Unamortized Balance	Ending FY [remaining year]
FY2020	3.7	0.7	-	-	-
FY2021	(4.6)	(0.9)	(0.9)	-	-
FY2022	5.3	1.0	1.0	1.0	2027 (1 years)
FY2023	2.9	0.6	0.6	1.2	2028 (2 years)
FY2024	(5.6)	(1.1)	(1.1)	(3.4)	2029 (3 years)
FY2025	(12.9)	-	(2.6)	(10.3)	2030 (4 years)
Total		0.3	(3.0)	(11.5)	

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

## Fuel and Purchased Power

(Billion yen)

		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
Fuel and Purchased Power		177.4	190.0	(12.5)	<ul style="list-style-type: none"> <li>Decrease in fuel prices (13.6)</li> <li>Impact by the amount of hydraulic power generation (5.4)</li> </ul>
Break down	Fuel	56.5	77.5	(20.9)	
	Purchased Power	120.8	112.4	8.3	

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

## Maintenance

(Billion yen)

		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
Maintenance		24.7	30.6	(5.8)	<ul style="list-style-type: none"> <li>Increased labor costs and price increases 0.8</li> <li>Decrease in maintenance costs for electric power generation facilities (7)</li> </ul>
Break Down	Generation <sup>†</sup>	9.6	16.4	(6.7)	
	Others	15.1	14.2	0.9	

<sup>†</sup> Including the currently closed Date Plant and other plants

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

## Depreciation

(Billion yen)

		FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
Depreciation		32.4	33.3	(0.9)	
Break Down	Generation	16.2	16.5	(0.2)	
	Others	16.1	16.8	(0.6)	

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

## Interest Expenses

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
[Interest(on average)%] Interest Expenses	[0.92] 6.7	[0.74] 5.2	[0.18] 1.5	Impact of interest rates 1.5

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

## Other Expenses

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)	Major cause of increase/decrease
Other Expenses	64.5	62.6	1.9	Increased labor costs and price increases 1.3

\*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.



## Key Factors

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)
Foreign Exchange Rate (Yen/\$)	146	153	(7)
CIF Crude Oil Price (\$/barrel)	73.7	86.7	(13.0)
Foreign coal CIF (\$/t)	119.7	155.2	(35.5)
LNG CIF (\$/t)	584.3	605.1	(20.8)
Water Flow Rate (%)	101.8	87.2	14.6

## Sensitivity Factors

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)
Foreign Exchange Rate (1Yen/\$)	0.3	0.4	(0.1)
CIF Crude Oil Price (1\$/barrel)	0.2	0.1	0.1
Foreign coal CIF (1\$/t)	0.25	0.25	0.0
LNG CIF (1\$/t)	0.01	0.03	(0.02)
Water Flow Rate (1%)	0.3	0.3	0.0

(Unit: billion yen)

	As of September 30, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)	Major factors for increase/decrease
Assets	2,380.0	2,244.0	136.0	<ul style="list-style-type: none"> <li>• Increase in fixed assets due to investments to respond to rising electricity demand and achieve carbon neutrality 93.5</li> <li>• Progress of depreciation (35.7)</li> </ul>
Liabilities	1,921.9	1,836.6	85.2	<ul style="list-style-type: none"> <li>• Increase in interest-bearing debt 95.7</li> </ul>
Net Assets	458.1	407.3	50.8	<ul style="list-style-type: none"> <li>• Posting of quarterly profit attributable to owners of parent 44.8</li> <li>• Dividends paid (2.7)</li> </ul>

(Billion yen, %)

	As of September 30, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)
Interest-bearing Debt Outstanding	1,520.5	1,424.8	95.7
Shareholders' Equity Ratio	18.6	17.5	1.1

(Billion yen)

	FY2026 2Q (A)	FY2025 2Q (B)	Change (A)-(B)
Profit	45.0	50.7	(5.7)
Other Comprehensive Income	8.6	0.8	7.8
Valuation difference on available-for-sale securities [included in "Other Comprehensive Income"]	5.8	(1.0)	6.8
Deferred gains or losses on hedge [included in "Other Comprehensive Income"]	0.3	1.8	(1.5)
Remeasurements of defined benefit plans [included in "Other Comprehensive Income"]	2.3	(0.0)	2.4
Share of other comprehensive income of entities accounted for using equity method	0.0	(0.0)	0.1
Comprehensive Income	53.7	51.5	2.1
Comprehensive income attributable to owners of parent [included in "Comprehensive Income"]	53.5	51.5	2.0
Comprehensive income attributable to non-controlling interests [included in "Comprehensive Income"]	0.1	0.0	0.0

## Management Approach

## Review and inspections of conformity with new regulations

- On July 30, 2025, we obtained permission to change the installation for Unit 3 of the Tomari Nuclear Power Plant from the Nuclear Regulation Authority.
- Currently, we are proceeding to the examination for the design and construction plan approval. (P29)

## Briefing session on Safety Measures for the Tomari Nuclear Power Plant

- From August to the end of October 2025, we held a total of 30 briefing meetings in various locations across Hokkaido, including Tomari Village, where the Tomari Nuclear Power Plant is located, regarding the necessity of the Tomari Nuclear Power Plant and the safety measures it takes.
- It is important to obtain an understanding among the residents of Hokkaido, including those in the area of the power plant, of the necessity of the Tomari Nuclear Power Plant and the safety measures it takes. Therefore, we will take every opportunity to provide thorough explanations.

## Progress of Work on Safety Measures

### Installation work on the new seawall

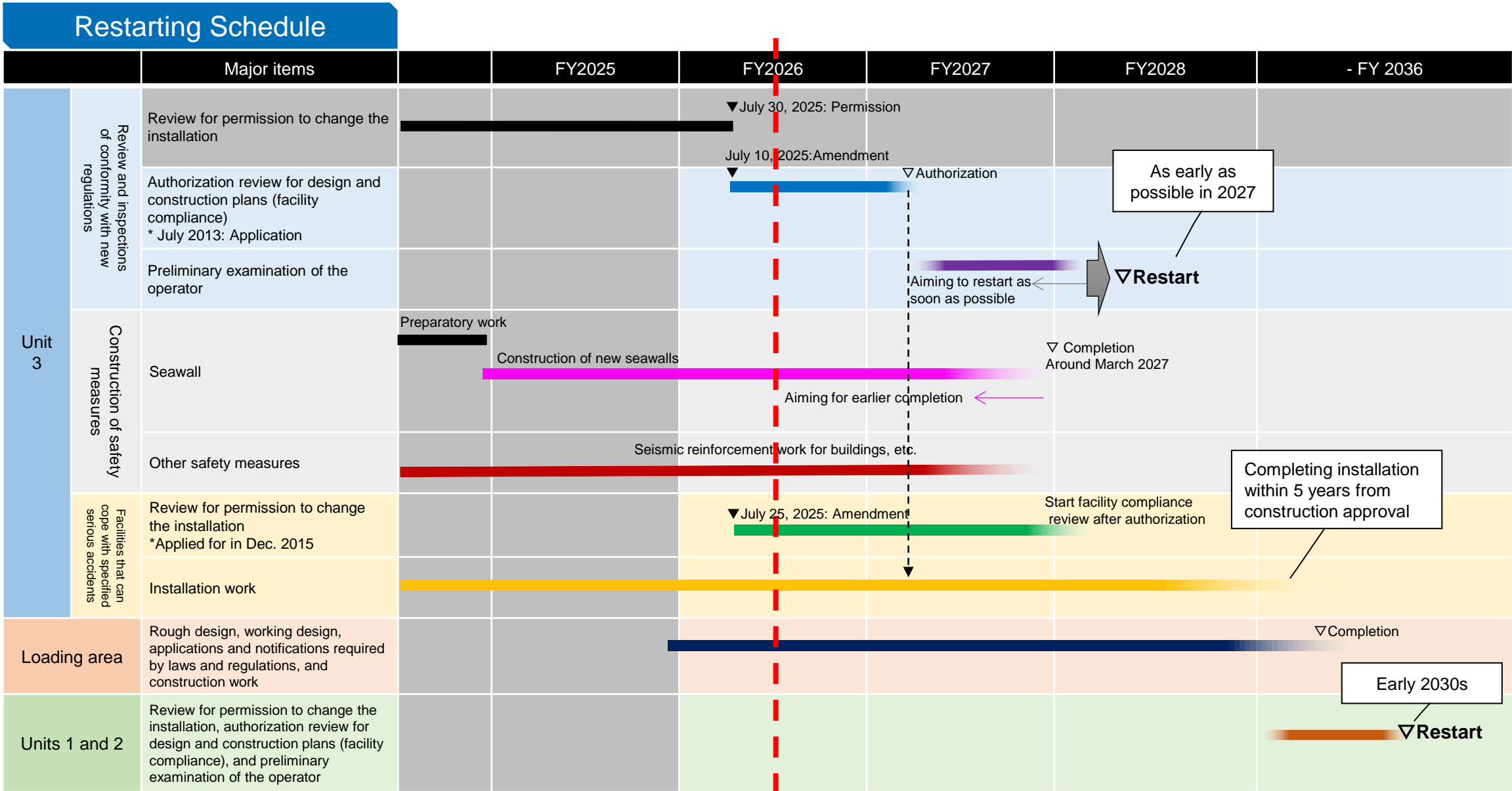
- The overall progress rate of the seawall construction, which directly affects the restart process, was 46.5% as of October 20. (P30)

### Progress of Work on Other Safety Measures

- Safety measures, including building seismic reinforcements and outdoor overflow prevention work, have also progressed as scheduled.

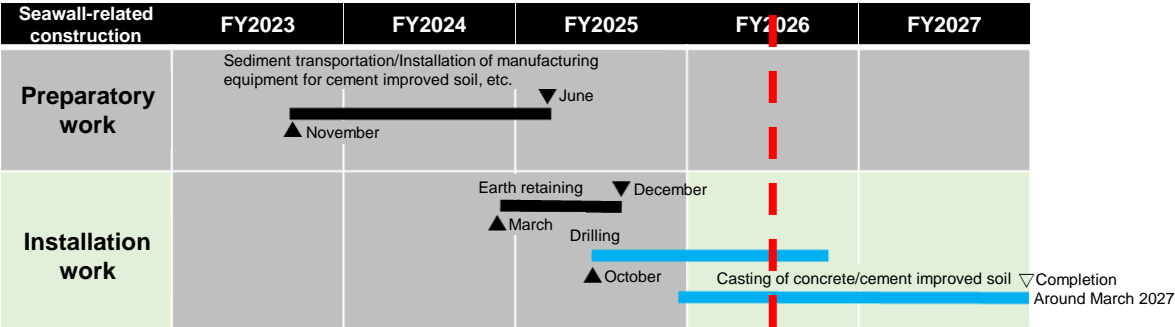
## Rate reduction after restart of the operation

- On October 31, 2025, we announced the estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant.
- Factoring in cost reductions from restarting Unit 3 at the Tomari Nuclear Power Plant, regulated rates are estimated to be lowered by around 11% in household electricity charges, and non-regulated rates overall are estimated to be lowered by an average of about 7%. (P31–33)



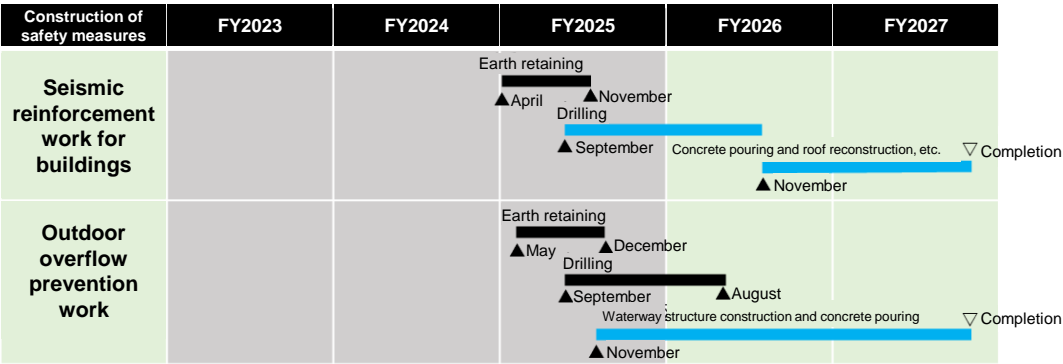
Installation work on the new seawall

Installation work of seawalls  
Overall progress rate  
**46.5%**  
(As of October 20, 2025)

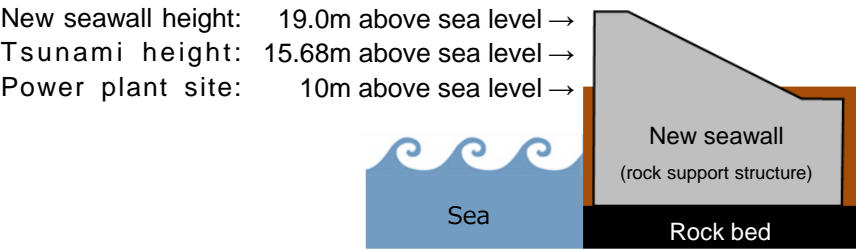


Work on Other Safety Measures

Work on Other Safety Measures



[The structure of the new seawall and its installation]

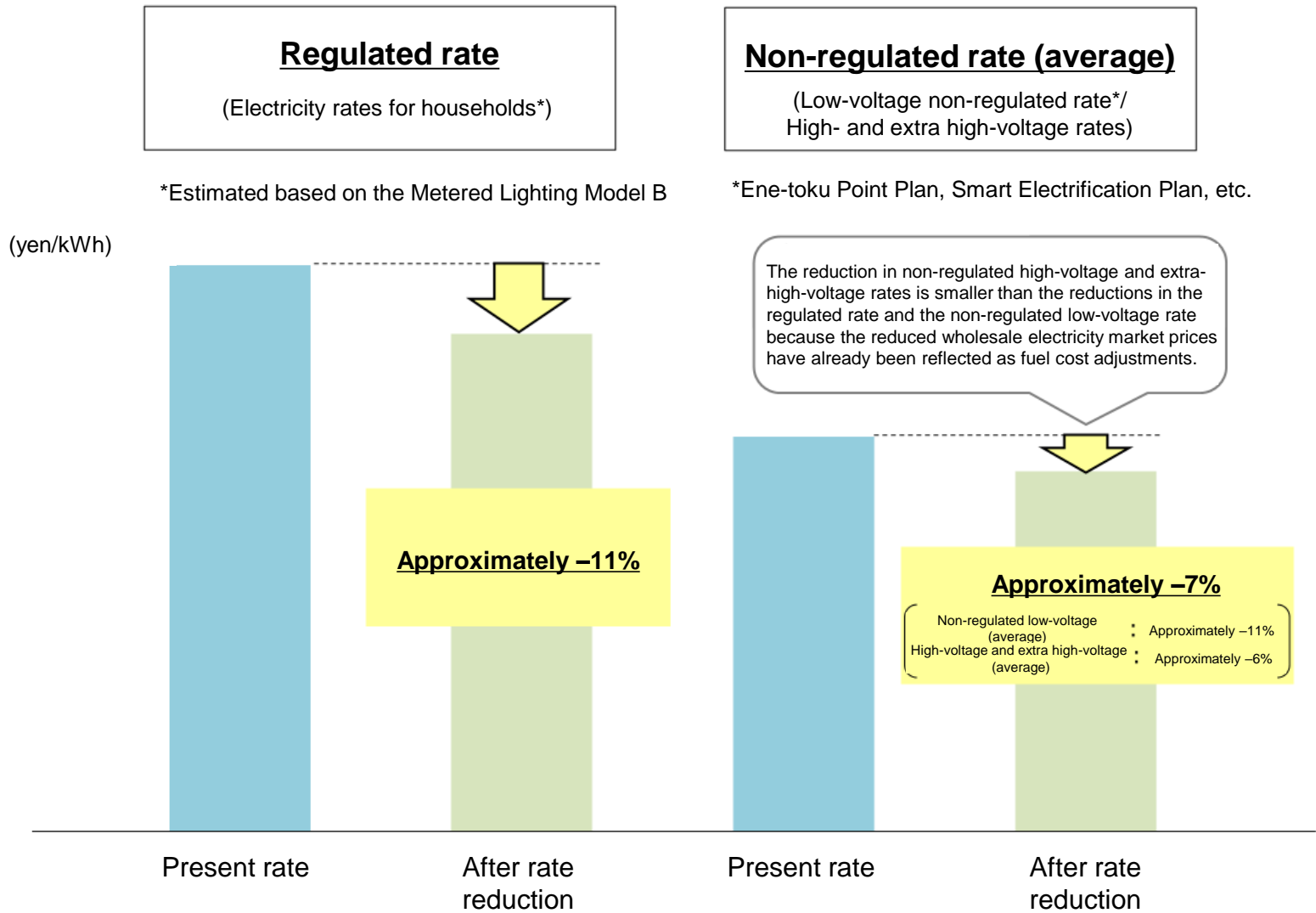


Structure	Structure directly mounted onto hard bedrock, using concrete and cement improved soil
Construction cost	Approx. 180.0 billion yen
Timing of completion	Around March 2027 (Aimed for completion as soon as possible)

Construction progress (photo taken in October 2025)



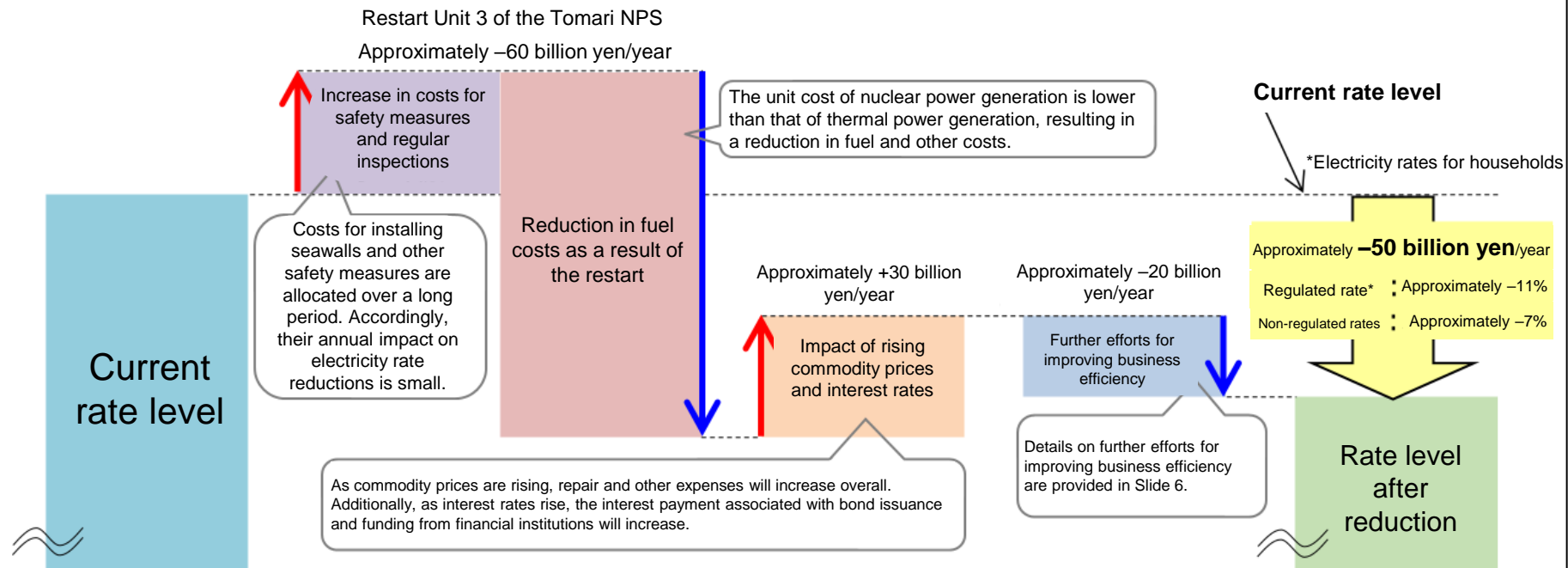
■ Reference: Estimated electricity rate reduction levels (image)





## Overview of Estimated Electricity Rate Reduction

- While **restarting Unit 3 at the Tomari Nuclear Power Plant** will increase costs for safety measures, such as the installation of seawalls and periodic inspections, the reduction in fuel costs and other expenses for the restarted plant will exceed these increases, **resulting in an annual cost reduction of approximately 60 billion yen.**
- Additionally, while **rising prices and interest rates are expected to increase costs by approximately 30 billion yen annually**, we will **mitigate this impact by further improving management efficiency through kaizen activities, digital transformation (DX), and other efforts to achieve annual cost savings of approximately 20 billion yen.**
- As a result, **the rate reduction reflects approximately 50 billion yen per year.**



■ Reference: Major assumptions

- The major assumptions used in the estimation of the electricity rate reduction are as follows:
- If any of these assumptions change due to future circumstances, the extent of the electricity rate reduction will also fluctuate.

Items	Assumptions	Fluctuations in the extent of electricity rate reduction when assumptions change	
		The assumption fluctuates upwards	The assumption fluctuates downwards
Retail sales volume	27 TWh/year (Fiscal 2024: 22.7 billion kWh)	The rate reduction becomes larger	The rate reduction becomes smaller
Fuel prices	Exchange rate: around 145 yen/1 dollar Crude oil price: around 70 dollars/bl	The rate reduction becomes larger (The rate level becomes higher)*	The rate reduction becomes smaller (The rate level becomes lower)*
Commodity prices and interest rates	Commodity prices: up 2.0%/year Long-term interest rate: 2.0%	The rate reduction becomes smaller	The rate reduction becomes larger

\*If fuel prices fluctuate, the rate level before the reduction will change due to the fuel cost adjustment system. Therefore, if fuel prices rise, the rate reduction will become larger. However, because the impact of the rise in the rate level before the reduction is significant, the rate level after the reduction will increase.  
If fuel prices decline, the rate reduction will become smaller. However, because the impact of the decline in the rate level before the reduction is significant, the rate level after the reduction will decrease.

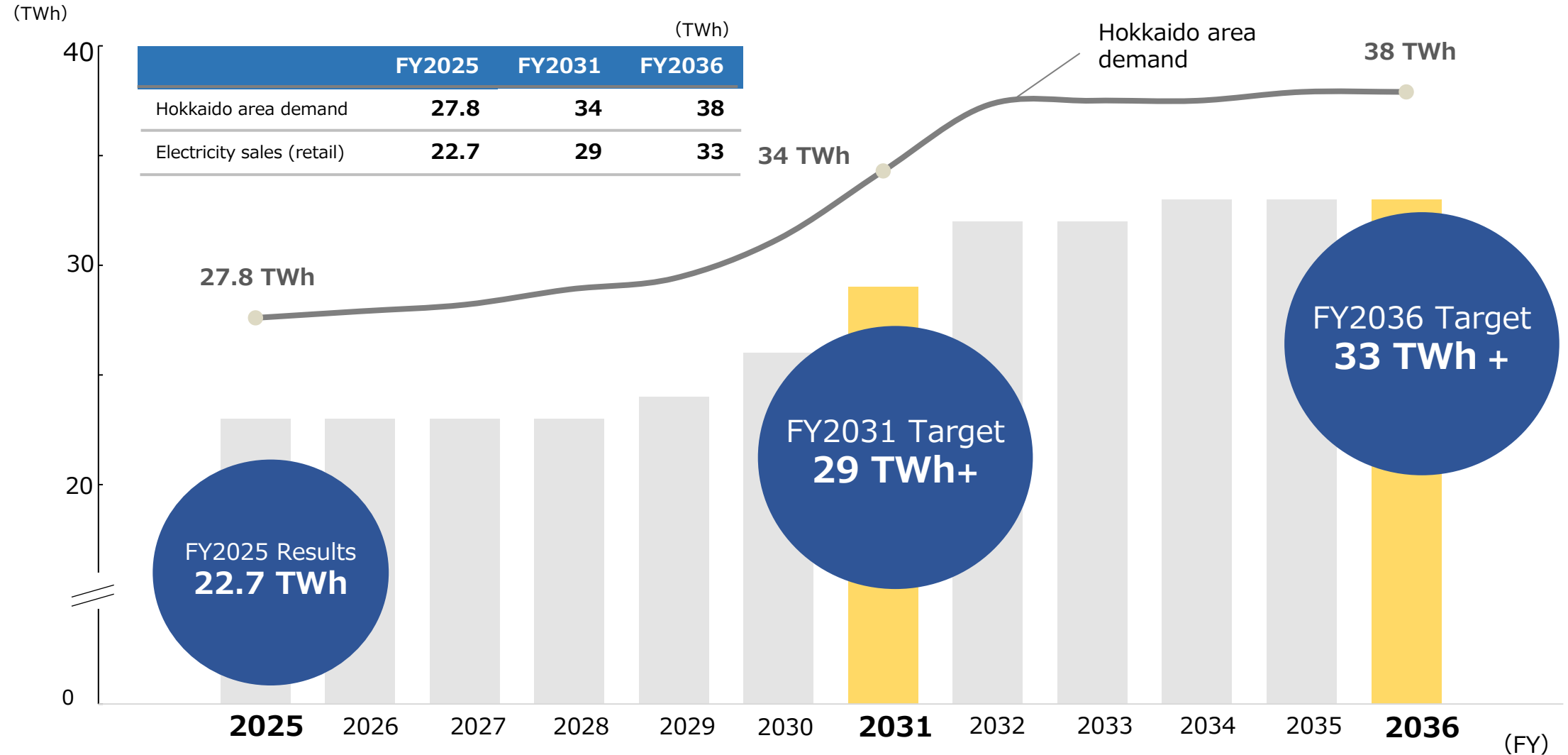
	FY2025 Results (reference)	FY2026 Forecast	Before restart of Tomari NPS Unit 3	FY2031	FY2036
Electricity sales (retail)	22.7 TWh	About 22.6 TWh	29 TWh +		33 TWh +
Reduction in GHG emissions	-11%	About - 13%	Compared to FY2014: - 46%		Compared to FY2014: - 60%
Ordinary Income	64.0 billion yen	approx. 43.0 billion yen	≥ 40.0 billion yen	≥ 70.0 billion *	≥ 90.0 billion yen *
ROIC (WACC)	3.1%	approx. 2.2 %	≥ 3.0% (approx. 2.2%)		≥ 3.5% (approx. 2.4%)
ROE	18.1%	approx. 7.0 %	≥ 8%		
Capital ratio	17.5 %	approx. 17 %	≥ 20%		≥ 25% (future goal: 30%)
Debt-to-EBITDA ratio	9.5 x	approx. 11.7	approx. 11		≤ 8 x
Dividends (annual) Dividend on Equity (DOE)	20 yen/share (1.3%)	30 yen/share (approx. 1.8 %)	Stable dividends with a DOE target of 2% (Until Tomari NPS Unit 3 is restarted, we will aim for a 2% DOE and make a comprehensive determination while being mindful to rebuild our financial foundation.)		

\* Taking into account the reduction in electricity charges that will come into effect with the restart of Tomari NPS

## Reference Materials

# HEPCO Group Electricity Sales (Retail)

HEPCO Group aims to increase retail electricity sales by making sure that we take advantage of business opportunities presented as next-generation semiconductor plants and large data centers establish operations in Hokkaido.



※The above figures are current estimates provided by HEPCO

# HEPCO Group Environmental Targets

HEPCO Group will do our utmost as we take on the challenge of achieving carbon neutrality across all energies in Hokkaido by the year 2050.

## Environmental Targets

We will rise to the challenge of achieving a 46% reduction compared to FY2014 levels in supply chain emissions (Scopes 1+2+3) throughout the HEPCO Group by FY2031 and 60% by FY2036.

We will contribute to a 1.5 million-ton reduction in emissions by FY2031 and 2.5 million-ton reduction by FY2036 by promoting electrification with heat pumps utilizing air heat, which is a renewable energy source, energy-saving proposals, customer support for decarbonization, and our renewable energy development business.

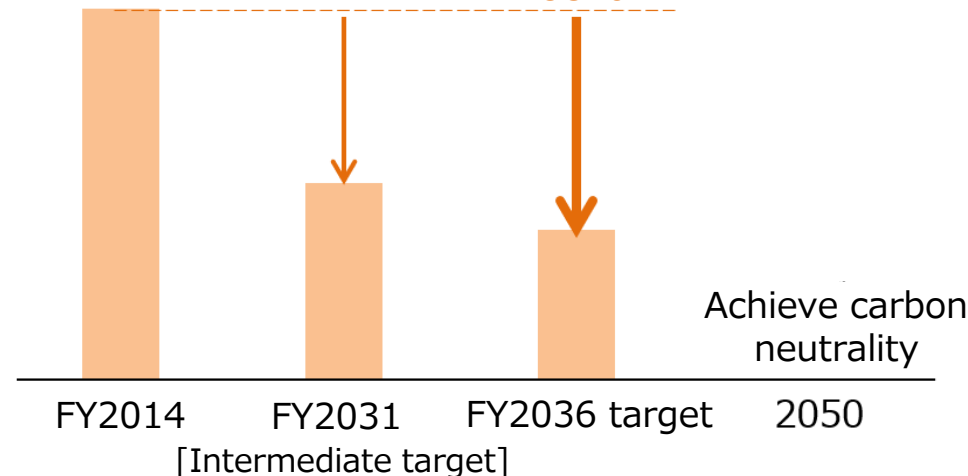
### Reduction in greenhouse gas emissions

#### Scopes 1+2+3 ※1

24.82 million tons

-46%

-60%



### Contribution to achieving carbon neutrality

FY2024

FY2031  
[Intermediate target]

FY2036  
target

70,000 tons

1.5 million tons

Reduction contribution ※2

2.5 million tons

※1:

Scope 1: Direct emissions from HEPCO Group business sites (mainly thermal power plants).

Scope 2: Indirect emissions associated with use of electricity, heat, etc. that HEPCO Group receives as a user.

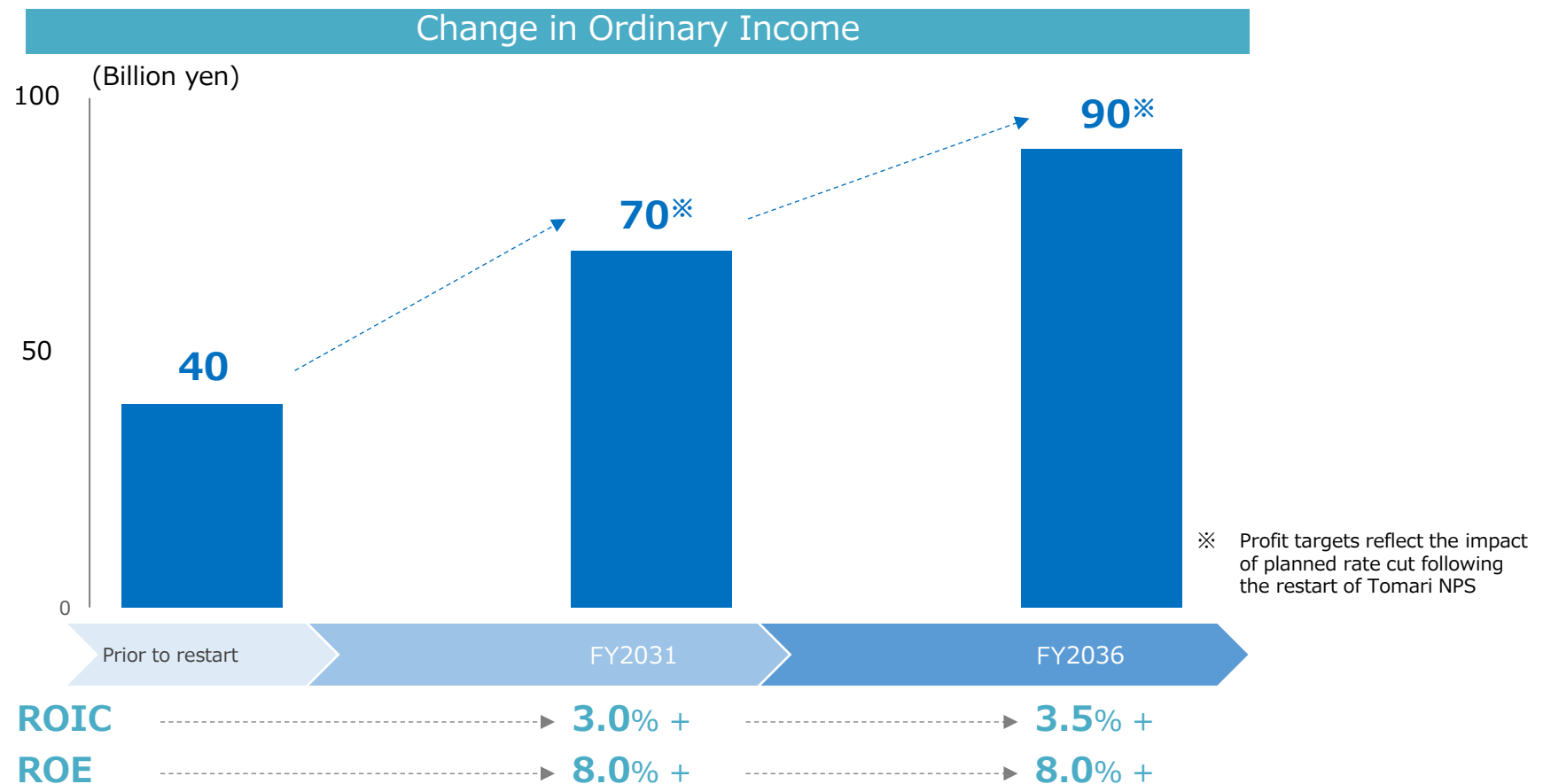
Scope 3: Other indirect emissions (mainly indirect emissions associated with electricity purchased from other companies)

※2: The difference in greenhouse gas emissions between conventional products and services (baseline) and new products and services, quantifying the contribution to mitigating climate change (impact) across society with products and services.

# Ordinary Income, ROIC & ROE

In addition to improving revenue following the restart of all Tomari Nuclear Power Station units, HEPCO Group will steadily increase profits as business opportunities expand thanks to the establishment of hubs supplying carbon-free energy, our products and services expanding, and retail electricity sales increasing as we make sure to build on environmental changes such as carbon neutrality advances and the increase in demand for electric power in the Hokkaido area.

We will manage our business portfolio to bolster investment in high-profit businesses, and improve ROIC to 3.5% or higher by further increasing the profitability of our businesses. This will enable us to continue assuring appropriate equity capital and maintain an ROE of 8% or higher.

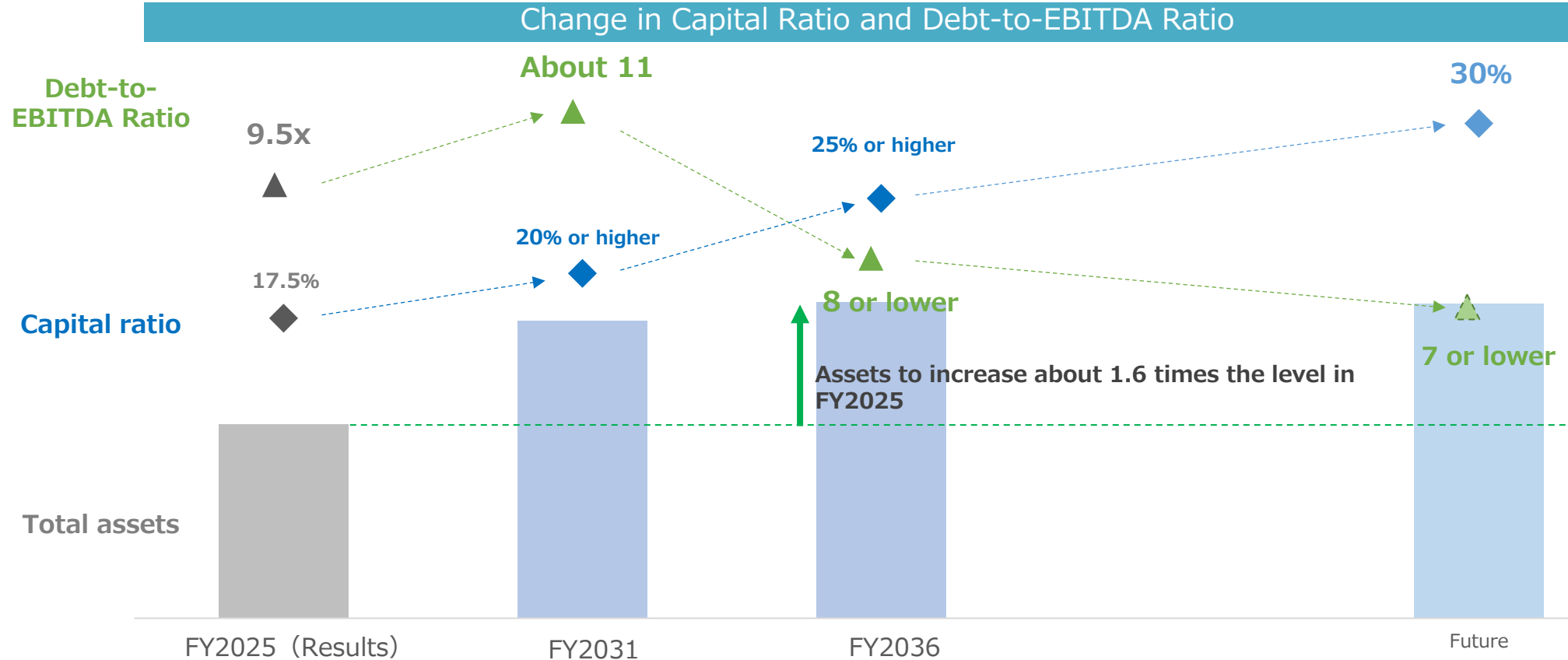


# Capital Ratio & Debt-to-EBITDA Ratio

As our investments and assets grow, we will strive to rebuild equity capital and improve our financial standing by achieving the profit targets listed earlier.

Our goal is to increase capital ratio to 25% or more by the end of FY2036 and, in the future, aim to reach 30% from the standpoint of achieving greater financial soundness and utilizing financial leverage.

Initially, as our investments expand, interest-bearing debt will increase, but we will aim to keep the debt-to-EBITDA ratio to 8 or lower by improving profits at a rate greater than the increase in interest-bearing debt.





# Shareholder Return Policy

Previously, HEPCO Group determined how profits were distributed by comprehensively considering our medium- to long-term business environment, financial circumstances, and other factors, and basing such decisions on maintaining a stable dividend.

Going forward, we will continue to maintain a policy of stable dividends and introduce the Dividend on Equity Ratio (DOE) to enhance shareholder return predictability.

## Previous Shareholder Return Policy

### Stable Dividend

- In our previous vision, we stated: "We aim to return more profits to shareholders to meet their expectations while endeavoring to restore equity capital."



## New Shareholder Return Policy

### Stable Dividend with 2% DOE Guideline

- We will introduce DOE to enhance shareholder return predictability.
- Until Tomari NPS Unit 3 is restarted, we will aim for 2% DOE and make a comprehensive determination while being mindful to rebuild our financial foundation.

# (REF) Capital Allocation

## 2025-30 Cumulative total (6 years)

**1,660** Billion yen

Profit	260
Depreciation and amortization, etc.	540
Increase in external borrowing, etc.	860

Cash **IN**

Dividend*1	60
Next Generation Energy Investment*2	120
Carbon Neutral Investments*3	190
Other Investments	
• Nuclear power	
• LNG-fired power	
• Power transmission and distribution	
• Other	1,290

Cash **OUT**

## 2025-35 Cumulative total (11 years)

**2,550** Billion yen

Profit	580
Depreciation and amortization, etc.	1,210
Increase in external borrowing, etc.	760

Cash **IN**

Dividend*1	130
Next Generation Energy Investment*2	250
Carbon Neutral Investments*3	400
Other Investments	
• Nuclear power	
• LNG-fired power	
• Power transmission and distribution	
• Other	1,770

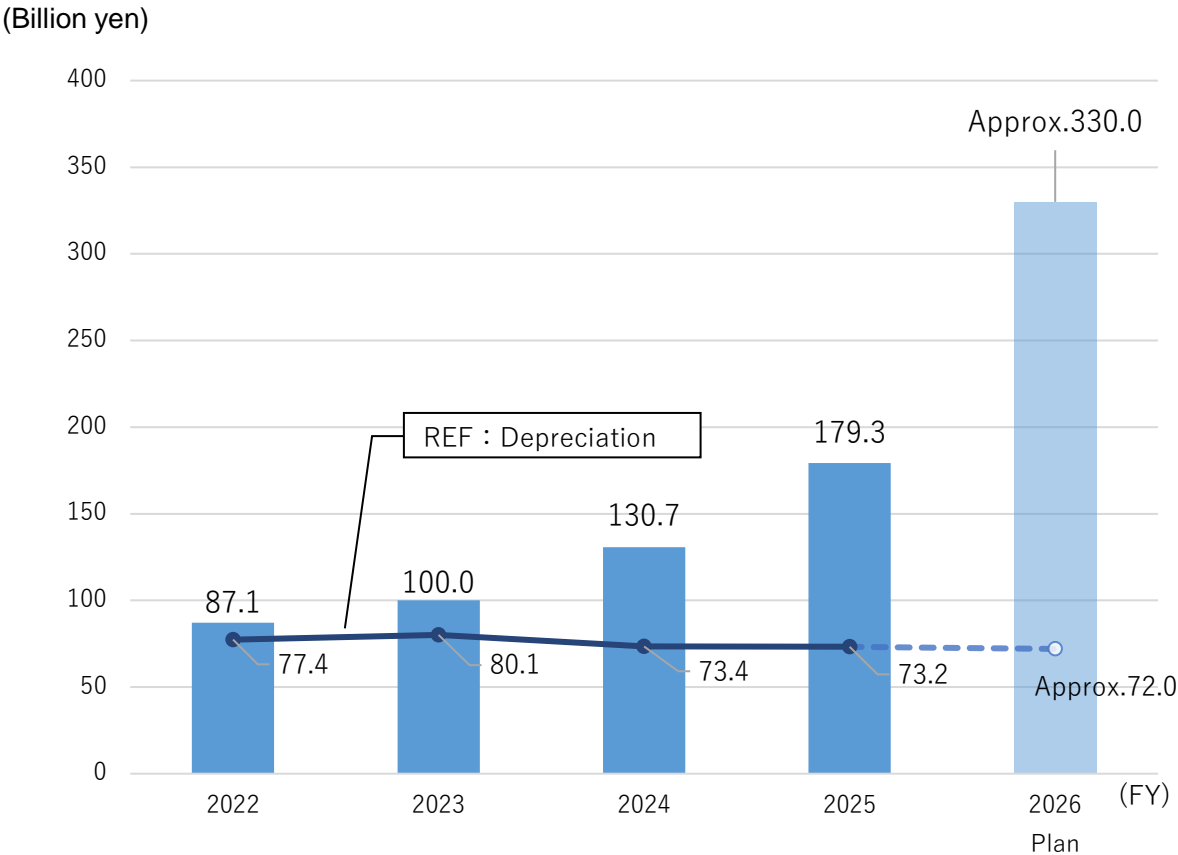
Cash **OUT**

\*1 Dividends: For common stock, calculated based on 2% DOE. Preferred shares are calculated based on the current Articles of Incorporation.

\*2 Investment in next-generation energy: Investment in hydrogen, ammonia, CCUS, e-methane, etc.

\*3 CN-related investments: Hydroelectric power generation (including pumped storage), CN thermal power generation, renewable energy development, power storage development, and power transmission and distribution related to decarbonization

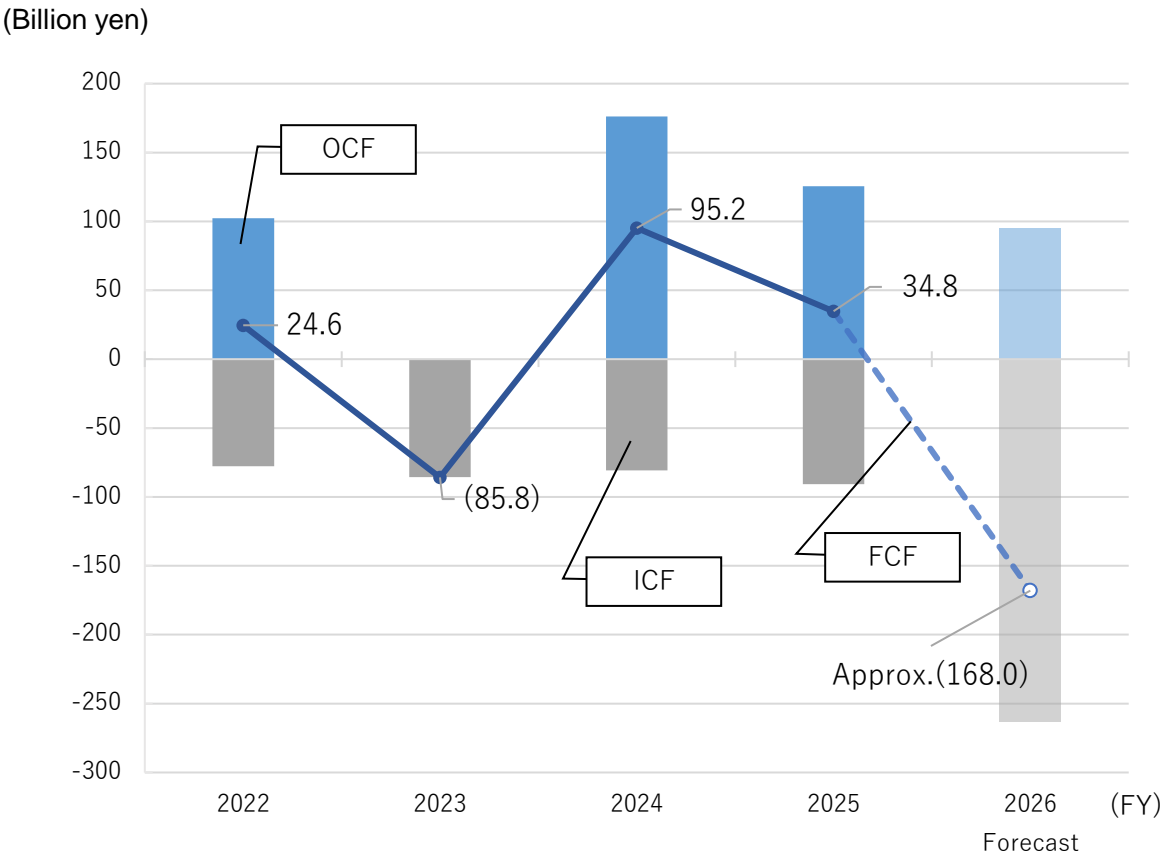
Capital Investment



(Unit: Billion yen, approx. Billion yen)

		FY2022	FY2023	FY2024	FY2025	FY2026 Plan
Capital investment amount	HD	40.4	50.7	70.7	101.2	230.0
	NW	39.1	40.9	46.2	66.8	80.0
	Other	7.5	8.3	13.7	11.2	20.0
	Total	87.1	100.0	130.7	179.3	330.0

Consolidated Cash Flow



(Unit: Billion yen, approx. Billion yen)

	FY2022	FY2023	FY2024	FY2025	FY2026 Forecasts
OCF	102.3	(0.5)	176.1	125.5	95.0
ICF	(77.7)	(85.2)	(80.8)	(90.7)	(263.0)
FCF	24.6	(85.8)	95.2	34.8	(168.0)

(GWh)

					FY2025					FY2026
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Low voltage	2,739	2,580	2,768	4,066	12,153	2,734	2,683			
High-voltage and extra high-voltage	3,498	3,952	4,028	4,217	15,695	3,582	4,015			
Total	6,237	6,532	6,796	8,283	27,848	6,316	6,698			

\*Totals do not add up exactly as figures have been rounded

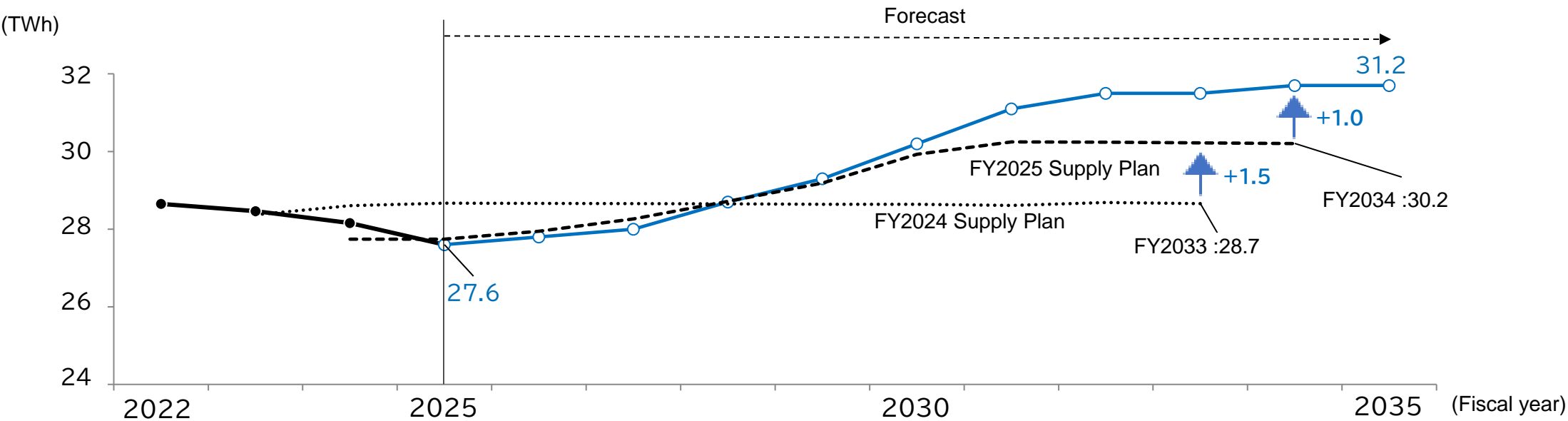
Reference: Last 10 years

(GWh)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Low voltage	13,444	13,618	13,474	12,984	12,886	13,065	12,928	12,567	12,336	12,153
High-voltage and extra high-voltage	16,102	16,174	16,118	16,057	16,433	15,496	15,721	15,898	15,822	15,695
Total	29,546	29,792	29,592	29,041	29,319	28,561	28,649	28,465	28,158	27,848

The demand forecast for the Hokkaido area included in the HEPCO Group Management Vision 2035 (pp34 and 40) is based on information collected by HEPCO as a retail electricity supplier.

The forecast published by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) on January 22, 2025 is as follows:



		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
		Est. Results	Forecast									
Maximum electricity demand 1MW		5,010 [0]	5,020 [-10]	5,030 [-50]	5,130 [-20]	5,170 [-20]	5,290 [+30]	5,390 [+100]	5,400 [+110]	5,390 [+100]	5,390 [+110]	5,380
Area electricity demand 1TWh		27.6 [-0.1]	27.8 [-0.1]	28.0 [-0.3]	28.7 [-0.1]	29.3 [+0.1]	30.2 [+0.3]	31.0 [+0.8]	31.3 [+1]	31.2 [+1]	31.2 [+1]	31.2
Reprint	Household, etc.	12.1	12.1	11.9	11.9	11.8	11.7	11.6	11.5	11.4	11.3	11.3
	Business	7.8	7.8	7.9	7.9	8.0	8.0	8.0	8.1	8.1	8.1	8.1
	Industrial	7.7	7.9	8.2	8.9	9.5	10.5	11.4	11.7	11.7	11.8	11.8

\* Figures in parentheses are changes from last year's published figures (January 24, 2024).

Quarter Results

					FY2025					FY2026
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Low voltage	79.6%	76.3%	77.9%	80.9%	79.0%	77.3%	74.6%			
High-voltage and extra high-voltage	84.8%	83.5%	84.0%	83.7%	84.0%	80.4%	80.4%			
Total	82.5%	80.6%	81.5%	82.3%	81.8%	79.0%	78.1%			

Fiscal Year Results

	FY2021	FY2022	FY2023	FY2024	FY2025
Low voltage	83.1%	80.3%	79.4%	80.0%	79.0%
High-voltage and extra high-voltage	76.8%	74.6%	86.6%	87.4%	84.0%
Total	79.7%	77.2%	83.3%	84.1%	81.8%

\* Calculated based on electricity trading reports published by the Electricity and Gas Market Surveillance Commission.

	Power plant	Output (MW)	Date for start of construction	Launch operations/termination date
Under construction	Kyogoku Unit No. 3 (hydraulic pump)	200	September 2001	FY2036 and thereafter
Under preparation to start construction	Shinko, Ishikari-wan, Unit 2 (LNG thermal)	569.4	May 2027	March 2031
	Shinko, Ishikari-wan, Unit 3 (LNG thermal)	569.4	May 2030	FY2034
Terminate	Naie Units 1 and 2 (coal-fired power)	-350 (175 × 2 units)	-	March 2027
	Sunagawa Units 3 and 4 (coal-fired power)	-250 (125 × 2 units)	-	March 2027
	Onbetsu Units 1 and 2 (oil-fired power)	-148 (-74 × 2 units)	-	Pending

	Power Plant Name	Description	Successful bid capacity*	Start time for operations
Fiscal 2025 Bids (Announced in April 2025)	Tomari Unit 3 (Nuclear)	Investment in safety measures for existing nuclear power plants	902,107kW	Scheduled for FY2028
	Shinko, Ishikari-wan Unit 2 (LNG)	LNG only (Promote decarbonization through hydrogen combustion and other measures in the future)	551,217kW	Scheduled for FY2034
Fiscal 2024 Bids (Announced in April 2024)	Shinko, Ishikari-wan Unit 2(LNG)	LNG only (Promote decarbonization through hydrogen combustion and other measures in the future)	551,217kW	Scheduled for FY2031
	Tomato-Atsuma Unit 4 (Coal-fired)	Ammonia 20% [Heat ratio of 20% converted from coal]	132,200kW	Scheduled for FY2031

\*: The capacity of the successful bid is the annual average capacity excluding the portion of decline in facility efficiency in tandem with the monthly change in atmospheric temperature and the amount of power consumed within a power plant from a power plant's output.



Date	Topic	Related slide
August 7, 2025	Briefing session on Safety Measures for the Tomari Nuclear Power Plant (HD)	P 28
August 8, 2025	Offering of the 405th HEPCO bonds (HD)	—
August 8, 2025	Offering of the 406th HEPCO bonds (HD)	—
August 8, 2025	Offering of the 407th HEPCO bonds (HD)	—
August 22, 2025	Submission of a Report in Response to Recommendations for Improving Operations from the Electricity and Gas Market Surveillance Commission (HD) (NW)	—
August 25, 2025	Revision of electricity charges in tandem with a review of the wheeling service tariff (HD)	—
August 28, 2025	Issuance of the fifth dollar-denominated bond (green bond) by HEPCO (HD)	—
October 1, 2025	Participation of HEPCO and Tohoku Electric Power in the Ishikari Bay New Port Offshore Wind Farm Project (HD)	—
October 27, 2025	Issuance of the integrated report, HEPCO Group Report 2025 (HD)	P 49
October 31, 2025	Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant (HD)	P 31 - 33

(Announced October 27, 2025)



<https://www.hepco.co.jp/corporate/ir/ir lib/ir lib-02.html>

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**For further information**

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