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Financial Results for FY2026 3Q

January 30, 2026

Hokkaido Electric Power Co., Inc.

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Business results

(Billion yen)

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Operating Revenue	617.7	646.4	(28.7)	(4.4)
Operating Profit	79.1	64.4	14.6	22.7
Ordinary Profit	67.9	56.8	11.1	19.7
Profit attributable to owners of parent	48.8	54.6	(5.8)	(10.7)
Basic net income per share [Yen]	232.58	261.07	(28.49)	

Financial status

(Billion yen)

	As of December 31, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)
Assets	2,378.2	2,244.0	134.2
Net Assets	459.7	407.3	52.4
Shareholders' Equity Ratio	18.7%	17.5%	1.2%

Consolidated－Statement of Operations

Hokkaido Electric Power Co.,Inc.

（Billion yen）

		FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Ordinary Revenue	Operating Revenues	617.7	646.4	(28.7)	(4.4)
	Electricity utility operating revenue	583.8	611.3	(27.5)	(4.5)
	Other business operating revenue	33.8	35.0	(1.1)	(3.3)
	Non-operating Income	3.3	2.6	0.7	27.7
	Subtotal	621.0	649.0	(27.9)	(4.3)
Ordinary Expenses	Operating Expenses	538.5	581.9	(43.3)	(7.5)
	Electricity utility operating expenses	510.4	552.9	(42.4)	(7.7)
	Other business operating expenses	28.1	28.9	(0.8)	(3.0)
	Non-operating Expenses	14.5	10.3	4.2	40.8
	Subtotal	553.0	592.2	(39.1)	(6.6)
[Operating Profit]		[79.1]	[64.4]	[14.6]	[22.7]
Ordinary Profit		67.9	56.8	11.1	19.7
Provision or reversal of reserve for fluctuation in water levels		0.5	(0.6)	1.2	－
Extraordinary income		1.2	19.5	(18.3)	(93.8)
Profit before income taxes		68.6	77.0	(8.3)	(10.9)
Income taxes		19.3	21.6	(2.3)	(10.9)
Profit		49.3	55.3	(6.0)	(10.9)
Profit attributable to non-controlling interests		0.5	0.6	(0.1)	(27.8)
Profit attributable to owners of parent		48.8	54.6	(5.8)	(10.7)

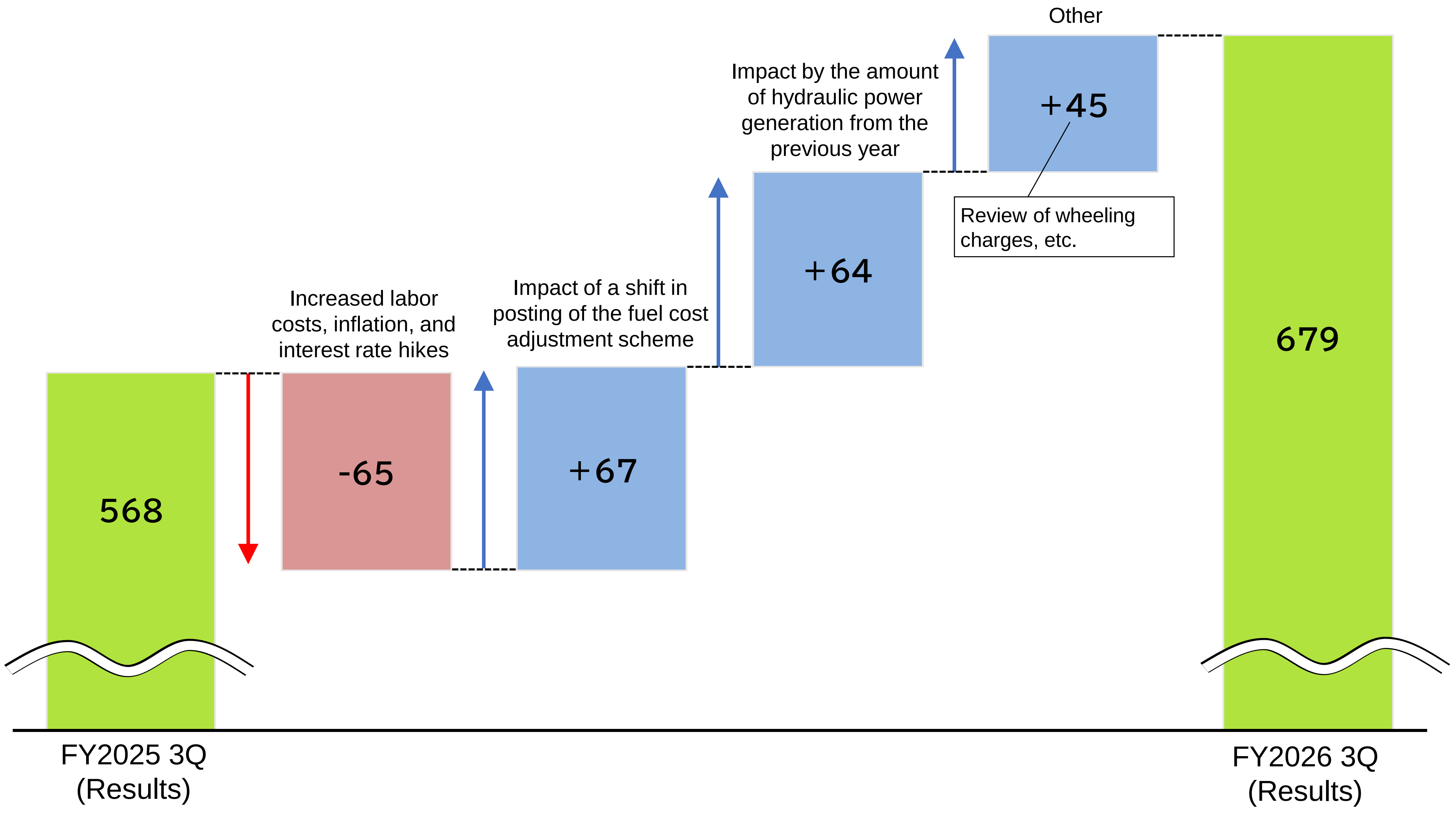
（Appendix）

Comprehensive Income	59.1	58.0	1.1	2.0

Outline of Consolidated Financial Results for FY2026 3Q

Operating revenue (Decrease)	Operating revenue decreased by 28.7 billion yen year-on-year to 617.7 billion yen mainly due to a decrease in the fuel cost adjustments associated with the decline in fuel prices and other factors.
Ordinary income (Increased)	Ordinary income rose by 11.1 billion yen year-on-year, reaching a total of 67.9 billion yen. This increase was primarily attributable to higher 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, while the labor costs, commodity prices, and interest rates increased.
Profit attributable to owners of parent (Decrease)	Profit attributable to owners of parent was 48.8 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.

(Unit: 100 million yen)



Forecasts of Consolidated Financial Performance for FY2026 (Ending March 2026)

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

(Unit: Billion yen, billion kWh)

	FY2026 earnings forecast			YoY change for new forecast
	New forecast (A)	October forecast (B)	Change (A)－(B)	
Operating Revenue	Approximately 867.0	Approximately 868.0	Approximately (1.0)	Approximately (35.0)
Operating profit	Approximately 59.0	Approximately 57.0	Approximately 2.0	Approximately (16.0)
Ordinary profit	Approximately 43.0	Approximately 43.0	Approximately the same	Approximately (21.0)
Profit attributable to owners of parent	Approximately 28.0	Approximately 28.0	Approximately the same	Approximately (36.0)
Year-on-year change/ Retail electricity sales and electricity sales to other utilities*	*Approximately 3.1％* Approximately 34.6	*Approximately 2.5％* Approximately 34.4	Approximately 0.2	Approximately 1.0
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 150	Approximately 145	Approximately 5	Approximately (3)
CIF crude oil price (USD per barrel)	Approximately 71.0	Approximately 75.0	Approximately (4.0)	Approximately (11.0)

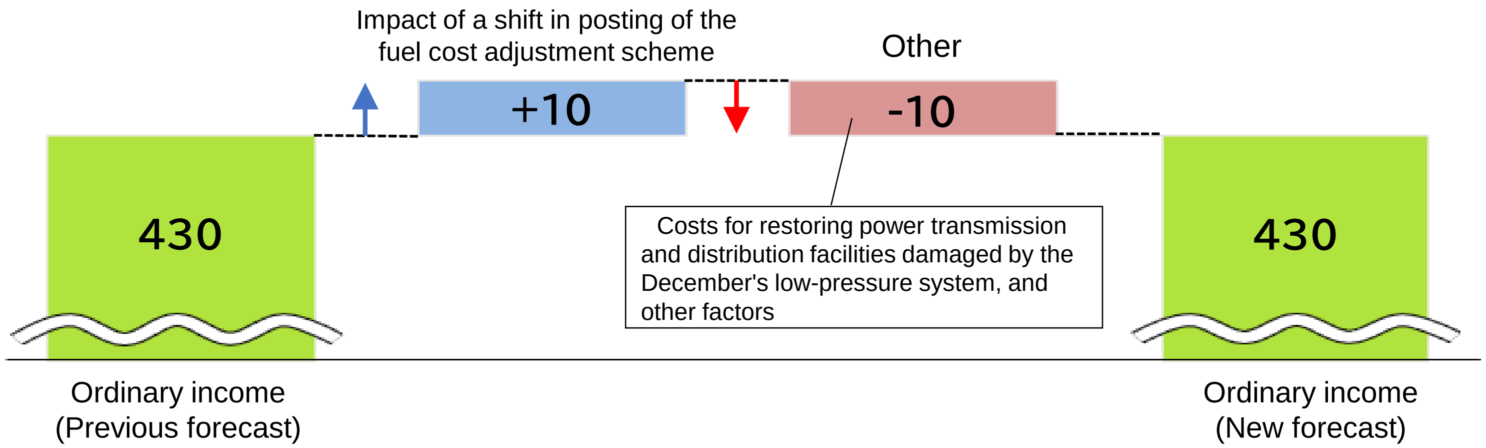
Note: We assume a foreign exchange rate of about 155 yen per dollar and the CIF crude oil price of about 65 dollar per barrel for January 2026 and thereafter.

Summary of Forecasts of Consolidated Financial Performance in FY2026

Electricity Sales	The estimate for retail electricity sales is not changed from the October announcement. Electricity sales to other utilities are expected to increase mainly due to an increase in direct wholesales. Accordingly, the total of retail electricity sales and electricity sales to other utilities is forecast to be around 34.6 billion kWh, an increase of 200 million kWh in contrast with the forecast announced in October 2025.
Operating revenue	We forecast an operating revenue of approximately 867.0 billion yen, a decrease of 1.0 billion yen, in contrast with the projections announced in October, chiefly due to a decline in fuel cost adjustments in tandem with a drop in fuel prices.
Ordinary Income	Although time difference gain under the fuel cost adjustment system has expanded due to lower fuel prices and other factors, we forecast ordinary income to be around 43.0 billion yen, the same level projected in the October announcement, mainly due to costs to restore power transmission and distribution facilities damaged by the December low-pressure system.
Profit attributable to owners of parent	Profit attributable to owners of parent is expected to be approximately 28.0 billion yen, unchanged from the projection announced in October.

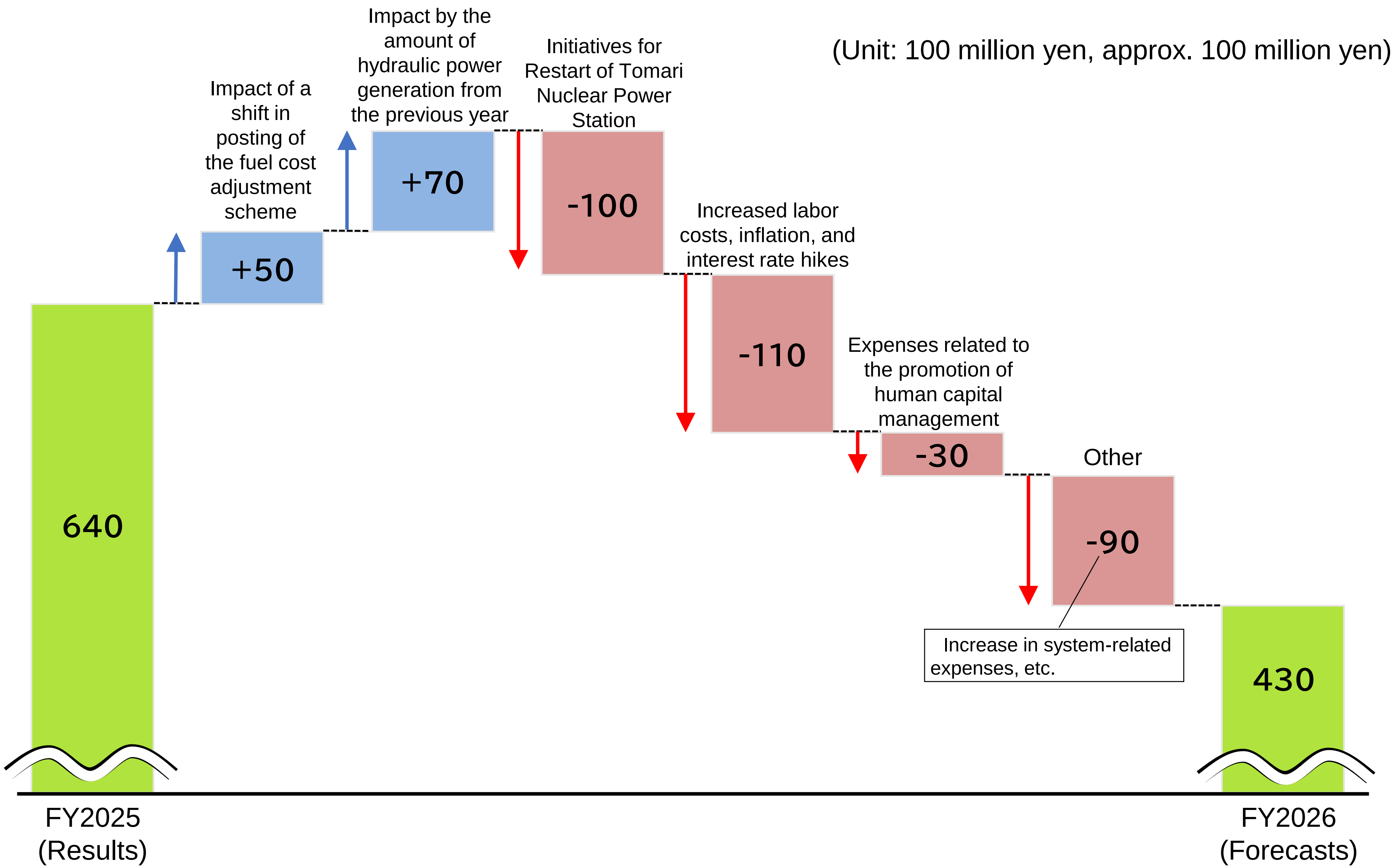
＜Factors behind the change in ordinary income (from the October forecast)＞

(Unit: approx. 100 million yen)



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

Hokkaido Electric Power Co.,Inc.



FY2026 Year-ending Dividend Forecasts

- 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

・Retail electricity sales volume totaled 15,525 million kWh, a decrease of 2.9% year on year, primarily due to low wholesale electricity market prices and fuel prices as well as a highly competitive business environment.
・Electricity sales to other utilities totaled 9,142 million kWh, an increase of 15.2% year-over-year, mainly due to a rise in sales volume owing to an increase in the purchase of renewable energy.

(GWh)

			FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Retail electricity sales	Low-voltage customers	Residential	5,323	5,335	(12)	(0.2)
		Commercial and Industrial	927	953	(26)	(2.7)
		subtotal	6,250	6,288	(38)	(0.6)
	High-voltage and Extra high-voltage customers		9,231	9,650	(419)	(4.4)
	Subtotal (*1)		15,481	15,938	(457)	(2.9)
	Other (*2)		44	55	(11)	(18.3)
	Total		15,525	15,993	(468)	(2.9)
Electricity sales to other utility			9,142	7,932	1,210	15.2
Total			24,667	23,925	742	3.1

*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.

Monthly Retail Electricity Sales Trends at HEPCO

(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	508	633	695				**5,323**
	Commercial and industrial	167	99	66	81	94	79	73	104	164				**927**
	Subtotal	857	734	515	617	741	609	581	737	859				**6,250**
High-voltage and Extra High-voltage customers		962	931	966	1,125	1,064	998	1,000	1,019	1,166				**9,231**
[%YoY]		[(1.9%)]	[(2.3%)]	[(5.3%)]	[0.7%]	[(2.6%)]	[(5.1%)]	[(1.9%)]	[(3.1%)]	[(4.3%)]				**[(2.9%)]**
Total		1,819	1,665	1,481	1,742	1,805	1,607	1,581	1,756	2,025				**15,481**

		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	11.9	5.4	(0.1)			
	YoY	1.2	(1.9)	0.7	1.6	2.5	0.1	0.8	(1.9)	(0.6)	1.8			
	deviation	0.9	1.2	1.9	3.6	4.7	2.4	2.1	(0.2)	0.2	0.8			

Consolidated; Statement of Operations (Revenue)

(Unit: billion yen)

				FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Operating Revenue				617.7	646.4	(28.7)	(4.4)	
	Electric utility operating revenue			583.8	611.3	(27.5)	(4.5)	
		Two companies total*	Commercial and Industrial	407.5	425.4	(17.9)	(4.2)	【Cause of increase】 • Decrease in the discounted from the national project to mitigate a sharp increase in electricity and gas rates 11.8 【Cause of decrease】 • Decrease in fuel price (17.2) • Decrease in retail electricity sales
			Others	177.5	187.0	(9.5)	(5.1)	【Cause of decrease】 • Decrease in the subsidy from the national project to mitigate a sharp increase in electricity and gas rates (11.8)
			Sold power to other utilities & Sold power to other suppliers (Repost)	123.2	130.0	(6.8)	(5.3)	
			Transmission revenue (Repost)	37.5	30.6	6.8	22.5	
		Subsidiary / consolidation revision		(1.2)	(1.1)	(0.0)	―	
	Other business operating revenue			33.8	35.0	(1.1)	(3.3)	
Non-operating Income				3.3	2.6	0.7	27.7	
Ordinary Revenue				621.0	649.0	(27.9)	(4.3)	

*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.

・We secured a stable supply with the appropriate operation of supply facilities, in addition to a water supply rate of 102.4%, which surmounted levels in an average year, despite the shutdown of operations at all reactors at the Tomari Nuclear Power Station.

(GWh)

		FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Generated Power	[Water flow rate %] Hydroelectric	[102.4%] 3,034	[89.1%] 2,461	[13.3%] 573	23.3
	Fossil Fuel	10,407	11,290	(883)	(7.8)
	[Nuclear capacity ratio %] Nuclear	[–] –	[–] –	[–] –	–
	Renewable, etc.	36	88	(52)	(58.3)
	Subtotal	13,477	13,839	(362)	(2.6)
Power received by other companies*		13,486	12,588	898	7.1
Power used for pumped storage, etc.		(323)	(376)	53	(14.1)
Total		26,640	26,051	589	2.3

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

Consolidated; Statement of Operations (Expenses and Ordinary Profit)

(Unit: billion yen)

			FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Electric utility operating expenses			510.4	552.9	(42.4)	(7.7)	
	Two companies total*	Personnel	42.2	43.0	(0.8)	(2.0)	
		Fuel	94.0	124.8	(30.7)	(24.7)	• Decrease in fuel prices (21.1) • Impact by the amount of hydraulic power generation (6.4) • Decrease in retail electricity sales
		Purchased Power	180.2	185.7	(5.4)	(2.9)	
		Maintenance	48.1	55.2	(7.1)	(13.0)	• Increased labor costs and price increases 1.9 • Decrease in maintenance costs for electric power generation facilities (8.7)
		Depreciation	48.7	50.0	(1.3)	(2.7)	
		Other Expenses	101.6	97.8	3.7	3.9	• Increased labor costs and price increases 2.1
	Subsidiary / consolidation revision		(4.5)	(3.8)	(0.6)	—	
Other business operating expenses			28.1	28.9	(0.8)	(3.0)	
Non-operating Expenses			14.5	10.3	4.2	40.8	
	Interest Expenses(Repost)		10.6	8.0	2.5	32.0	• Impact of interest rates 2.5
Ordinary Expenses			553.0	592.2	(39.1)	(6.6)	
Ordinary profit			67.9	56.8	11.1	19.7	

*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.

・Sales in the HEPCO segment totaled 527.3 billion yen, a decrease of 39.5 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 6.6 billion yen year-on-year, reaching a total of 57.4 billion yen. This increase was primarily attributed to higher 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, while labor costs, commodity prices, and interest rates increased.

・Sales in the Hokkaido Electric Power Network segment totaled 230.9 billion yen, an increase of 1.8 billion yen year-on-year mainly due to higher wheeling service tariff revenue as a result of the revision of the wheeling service fees and the increased area demand during the hot summer.

Ordinary income for the segment totaled 2.8 billion yen, an increase of 2.7 billion yen year-on-year, chiefly due to increased sales and overall improvements in management efficiency, while there were increases in labor costs, commodity prices, and interest rates.

・Other sales amounted to 112.1 billion yen, an increase of 8.5 billion yen in comparison with the same period of the previous fiscal year. Meanwhile, segment ordinary income amounted to 10.7 billion yen, an increase of 2.8 billion yen from the same period of the previous year, mainly reflecting increased operations of hydroelectric power plants at subsidiaries and increased sales in the construction business.

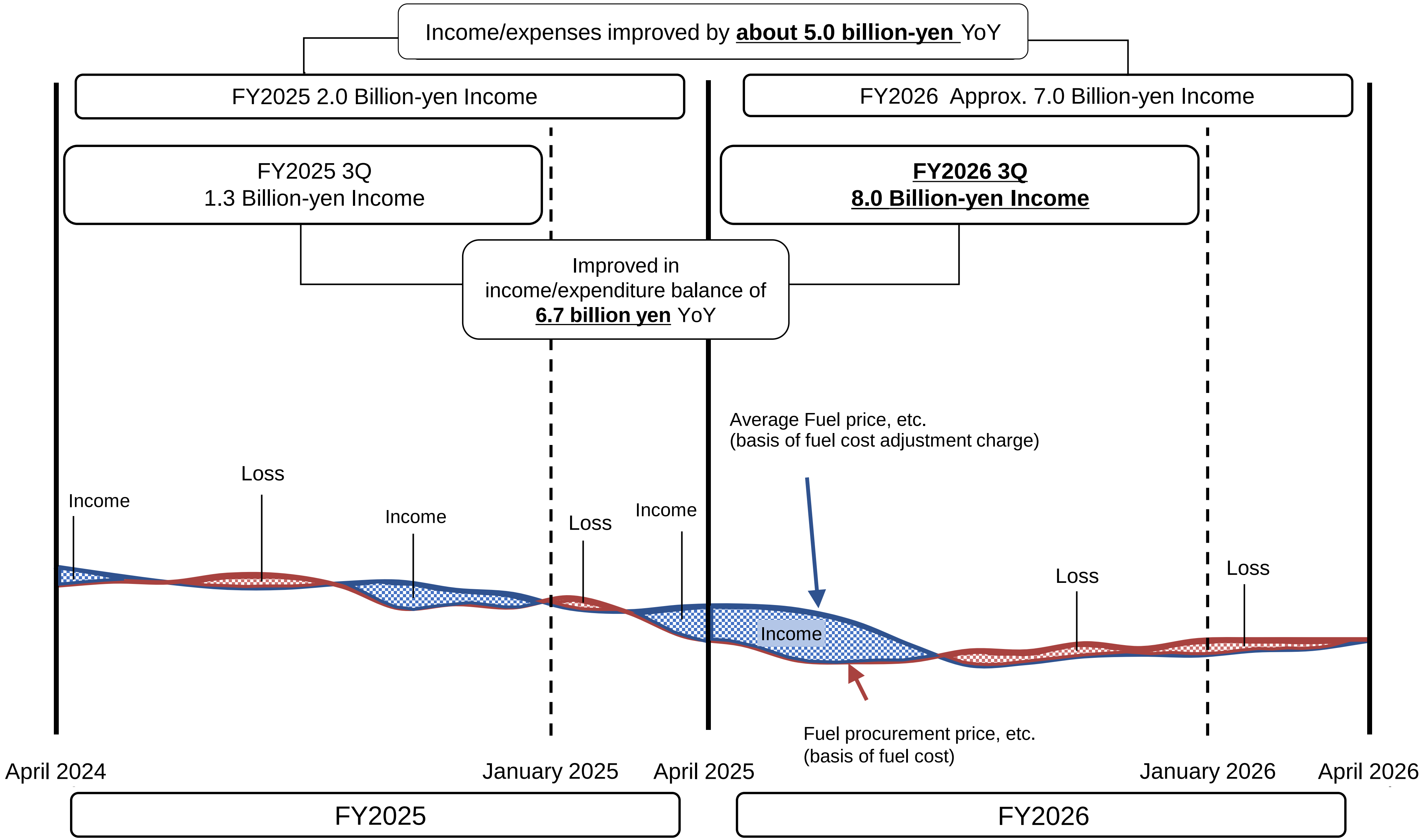
(Unit: billion yen)

		FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)
Operating Revenue		617.7	646.4	(28.7)
	Hokkaido Electric Power Company	527.3	566.8	(39.5)
	Hokkaido Electric Power Network	230.9	229.0	1.8
	Other *1	112.1	103.5	8.5
	Adjustments *2	(252.7)	(253.0)	0.3
Segment Income/loss (Ordinary Income/loss)		67.9	56.8	11.1
	Hokkaido Electric Power Company	57.4	50.7	6.6
	Hokkaido Electric Power Network	2.8	0.0	2.7
	Other *1	10.7	7.9	2.8
	Adjustments *2	(3.0)	(1.9)	(1.0)

*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.

Reference; Impact of a shift in posting of the fuel cost adjustment (image)



Expense breakdown (Two Companies Total*) ①

Personnel

(Billion yen)

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
Personnel	42.2	43.0	(0.8)	

【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, 3/4 of the annual depreciation expense was posted in the current 3Q.

(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.

Expense breakdown（Two Companies Total*）②

Fuel and Purchased Power

（Billion yen）

		FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
Fuel and Purchased Power		274.3	310.5	(36.2)	• Decrease in fuel prices (21.1) • Impact by the amount of hydraulic power generation (6.4) • Decrease in retail electricity sales
Break down	Fuel	94.0	124.8	(30.7)	
	Purchased Power	180.2	185.7	(5.4)	

*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 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
Maintenance		48.1	55.2	(7.1)	• Increased labor costs and price increases 1.9 • Decrease in maintenance costs for electric power generation facilities (8.7) † Including the currently closed Date Plant and other plants
Break Down	Generation†	22.0	29.9	(7.8)	
	Others	26.0	25.3	0.7	

*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 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
Depreciation		48.7	50.0	(1.3)	
Break Down	Generation	24.3	24.7	(0.4)	
	Others	24.3	25.2	(0.8)	

*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.

Expense breakdown（Two Companies Total*）④

Interest Expenses

（Billion yen）

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
[Interest(on average)%] Interest Expenses	[0.96] 10.6	[0.76] 8.0	[0.20] 2.5	Impact of interest rates 2.5

*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 3Q (A)	FY2025 3Q (B)	Change (A)-(B)	Major cause of increase/decrease
Other Expenses	101.6	97.8	3.7	Increased labor costs and price increases 2.1

*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.

Key Factors

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)
Foreign Exchange Rate (Yen/$)	149	152	(3)
CIF Crude Oil Price ($/barrel)	72.9	83.7	(10.8)
Foreign coal CIF ($/t)	120.0	154.9	(34.9)
LNG CIF ($/t)	571.4	612.0	(40.6)
Water Flow Rate (%)	102.4	89.1	13.3

Sensitivity Factors

(Billion yen)

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)
Foreign Exchange Rate (1Yen/$)	0.6	0.8	(0.2)
CIF Crude Oil Price (1$/barrel)	0.3	0.2	0.1
Foreign coal CIF (1$/t)	0.4	0.4	0.0
LNG CIF (1$/t)	0.02	0.05	(0.03)
Water Flow Rate (1%)	0.4	0.4	0.0

Consolidated; Statements of Balance Sheets

(Unit: billion yen)

	As of December 31, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)	Major factors for increase/decrease
Assets	2,378.2	2,244.0	134.2	• Increase in fixed assets due to investments to respond to rising electricity demand and achieve carbon neutrality 141.2 • Progress of depreciation (53.7)
Liabilities	1,918.4	1,836.6	81.8	• Increase in interest-bearing debt 95.9
Net Assets	459.7	407.3	52.4	• Posting of quarterly profit attributable to owners of parent 48.8 • Dividends paid (6.5)

（Billion yen、%）

	As of December 31, 2025 (A)	As of March 31, 2025 (B)	Change (A)-(B)
Interest-bearing Debt Outstanding	1,520.7	1,424.8	95.9
Shareholders' Equity Ratio	18.7	17.5	1.2

Consolidated; Statements of Comprehensive Income

(Billion yen)

	FY2026 3Q (A)	FY2025 3Q (B)	Change (A)-(B)
Profit	49.3	55.3	(6.0)
Other Comprehensive Income	9.8	2.6	7.2
Valuation difference on available-for-sale securities [included in “Other Comprehensive Income”]	8.2	1.6	6.5
Deferred gains or losses on hedge [included in “Other Comprehensive Income”]	(0.1)	0.9	(1.0)
Remeasurements of defined benefit plans [included in “Other Comprehensive Income”]	1.5	(0.0)	1.5
Share of other comprehensive income of entities accounted for using equity method	0.2	0.0	0.1
Comprehensive Income	59.1	58.0	1.1
Comprehensive income attributable to owners of parent [included in “Comprehensive Income”]	58.7	57.2	1.4
Comprehensive income attributable to non-controlling interests [included in “Comprehensive Income”]	0.4	0.7	(0.2)

Management Approach

Efforts towards restarting the Tomari NPS (Summary)

Review and inspections of conformity with new regulations

【P28】

- 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 with the examination for the design and construction plan approval and other processes.
- We will submit all required materials by April 2026, aiming to obtain approval as soon as possible.

Progress of Work on Safety Measures

【P29】

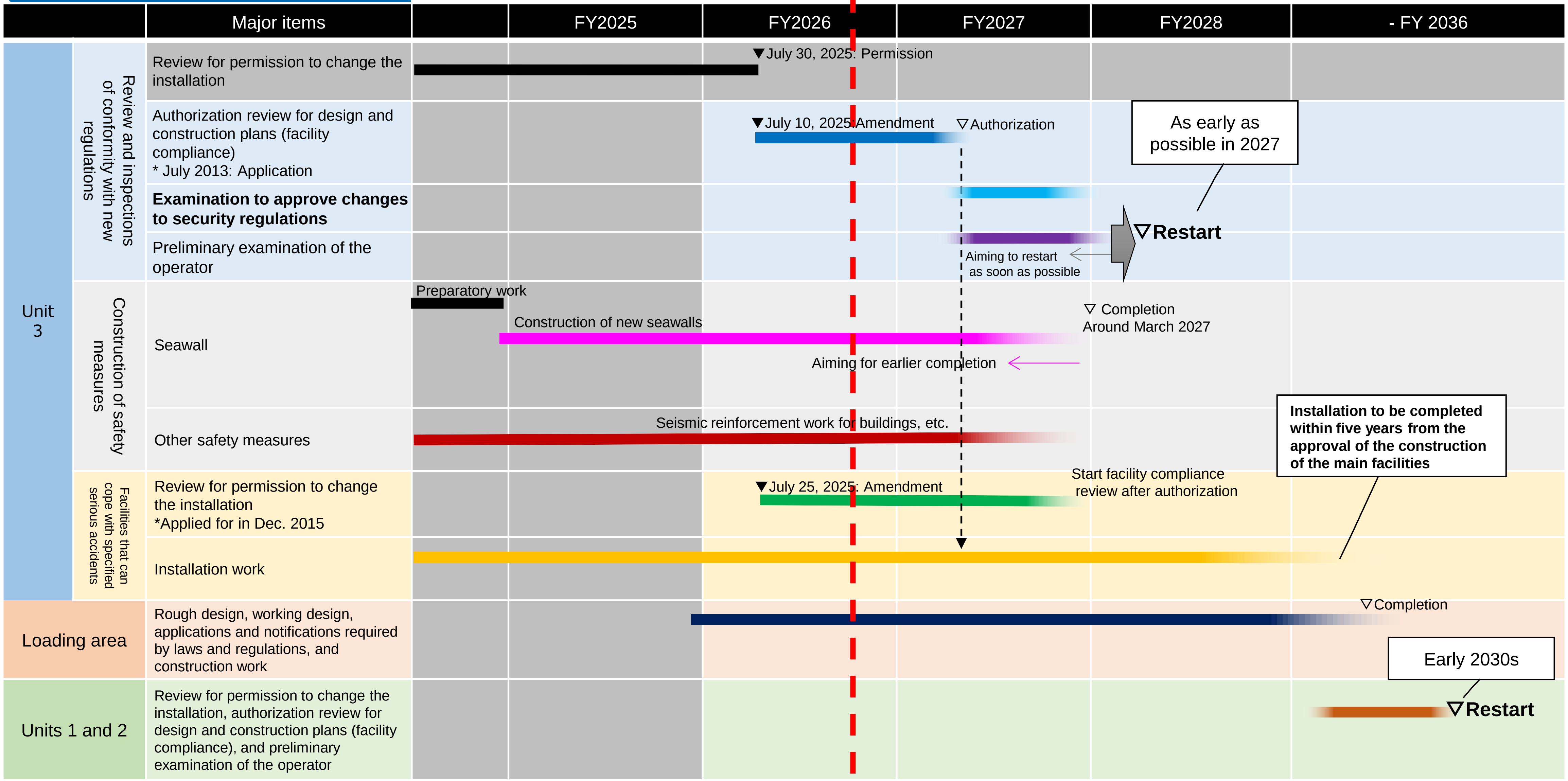
- Installation work on the new seawall
  As for the construction of the seawall, which directly affects the reactivation process, the excavation work was completed by the end of January 2026. Concrete placement is currently underway for the main body of the seawall.
  (Overall progress rate: 51.3% as of January 20, 2026)
- Progress of Work on Other Safety Measures
  Safety measures, including building seismic reinforcements and outdoor overflow prevention work, have also progressed as scheduled.

Regarding the Newly Constructed Loading Area and Transportation Route within the Tomari Power Plant Premises

- After the June 11, 2025 announcement regarding the transportation and handling of nuclear fuel materials outside the Tomari Power Plant, we have conducted geological surveys to determine the location of the new unloading area and the transportation routes.
- Currently, we are considering the basic structure based on the results of the geological surveys.

Efforts towards restarting the Tomari NPS (1)

Restarting Schedule



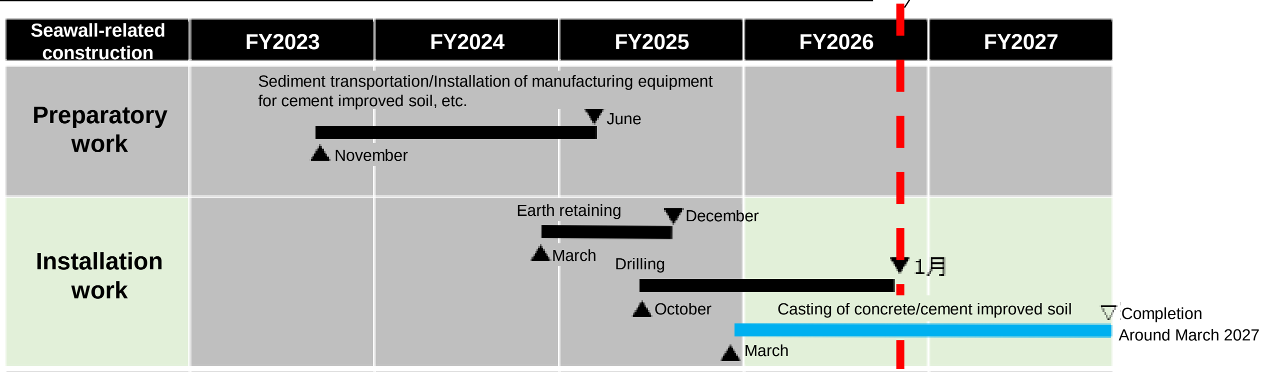
Efforts towards restarting the Tomari NPS (2)

Hokkaido Electric Power Co.,Inc.

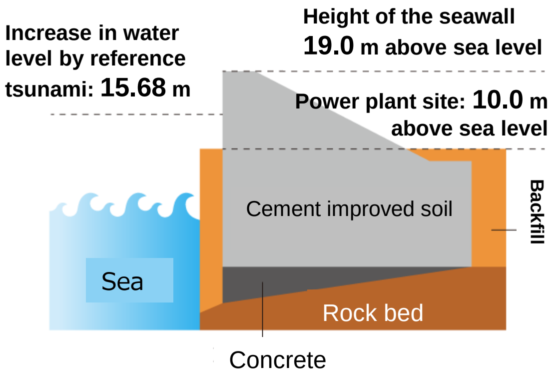
Installation work on the new seawall

・Excavation work was completed in January 2026. We are proceeding with the construction work while implementing anti-freezing measures (cold-resistant agents and curing sheets for insulation) to allow concrete work even during winter.

Installation work of seawalls
Overall progress rate
51.3%
(As of January 20, 2026)



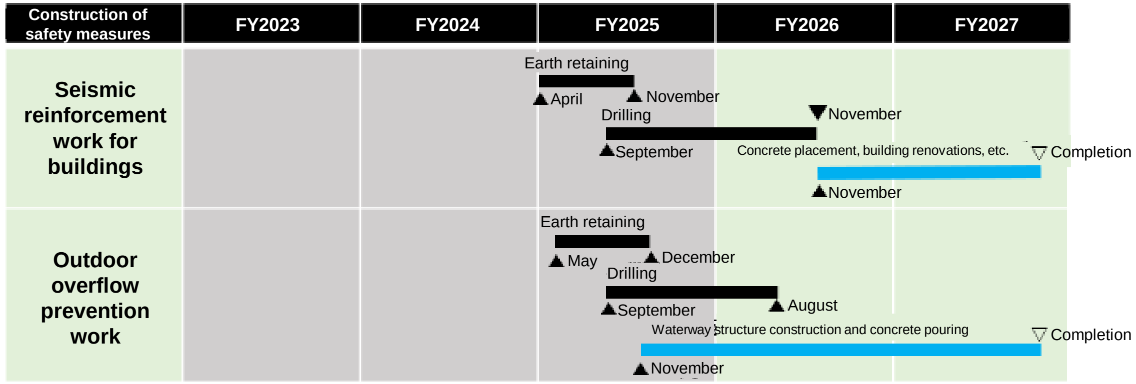
[The structure of the new seawall and its installation]



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)

Work on Other Safety Measures

・We are improving the seismic reinforcement of buildings and reconstructing drainage channels to prevent water overflow on the site during earthquakes.



Construction progress (photo taken in December 2025)

・Concrete placement to construct the body of the seawall

New Energy Supply Chain Concept Starting From the Tomakomai Area in Hokkaido

- In March 2025, HEPCO announced the HEPCO Group Management Vision 2035 to achieve carbon neutrality in Hokkaido and ensure the Company’s sustainable growth.
- As part of our efforts based on this vision, we have developed a new energy supply chain concept starting from the Tomakomai area in Hokkaido.
- For details, please refer to the press release below.

https://www.hepco.co.jp/info/2025/1252997_2068.html

Progress of Major Management Targets

	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 - 11%	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. 2.3 %	≥ 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. 11.4	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

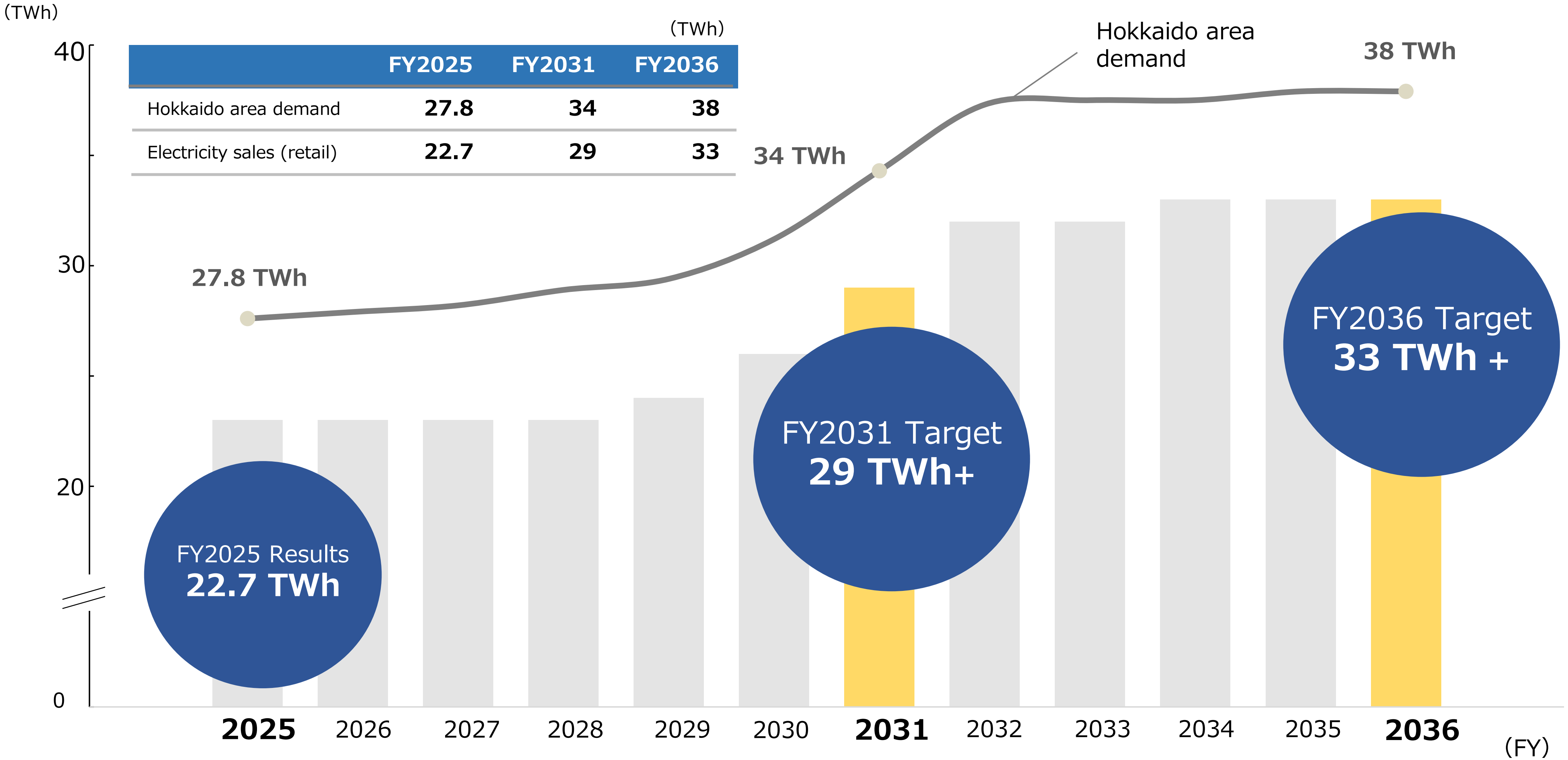
Reference Materials

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.

(TWh)

	FY2025	FY2031	FY2036
Hokkaido area demand	27.8	34	38
Electricity sales (retail)	22.7	29	33



※The above figures are current estimates provided by HEPCO

HEPCO Group Environmental Targets

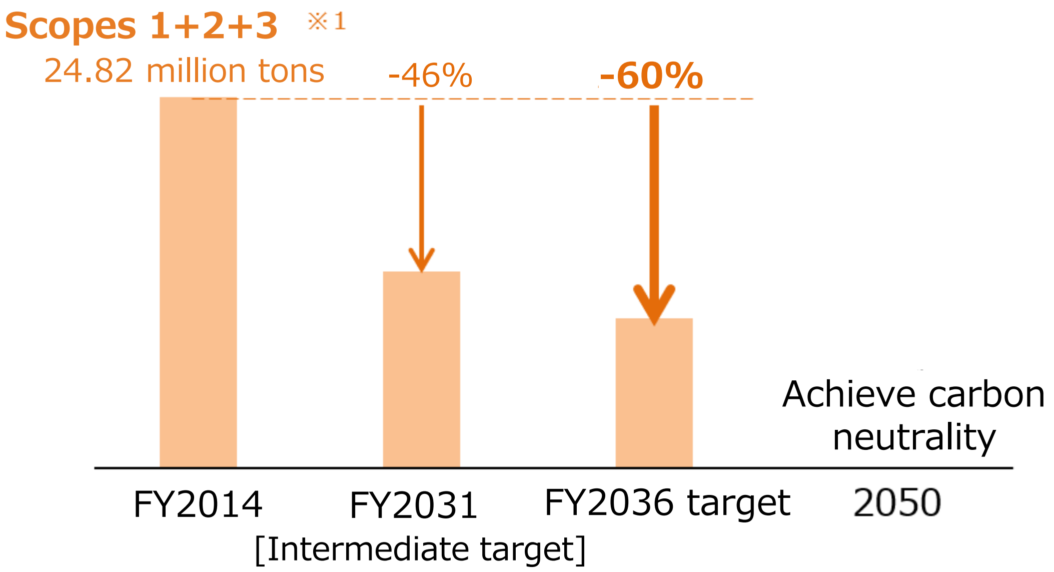
HEPCO Group will do our utmost as we take on the challenge of achieving carbon neutrality across all energies in Hokkaido by the year 2050.

Environmental Targets

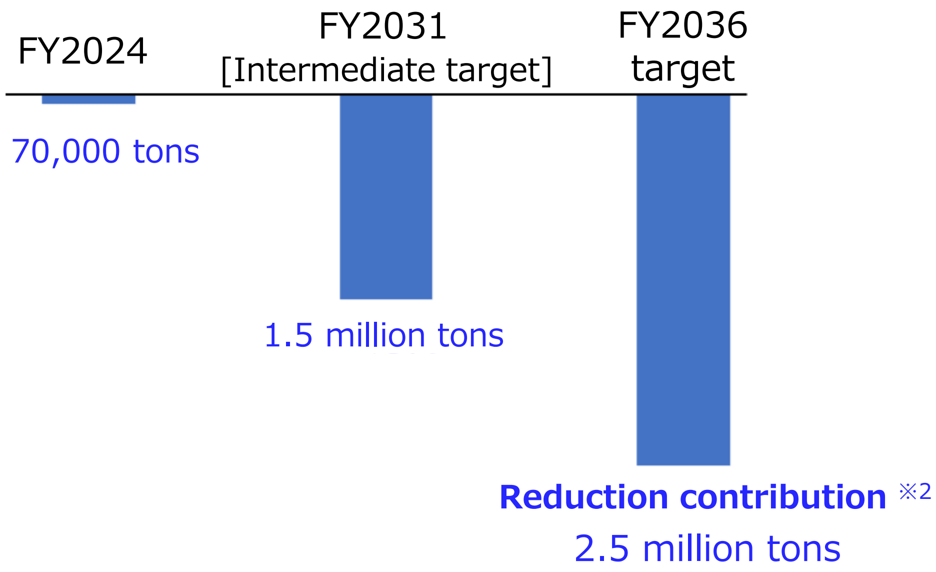
We will rise to the challenge of achieving a 46% reduction compared to FY2014 levels in supply chain emissions (Scopes 1+2+3) throughout the HEPCO Group by FY2031 and 60% by FY2036.

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



Contribution to achieving carbon neutrality



※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)

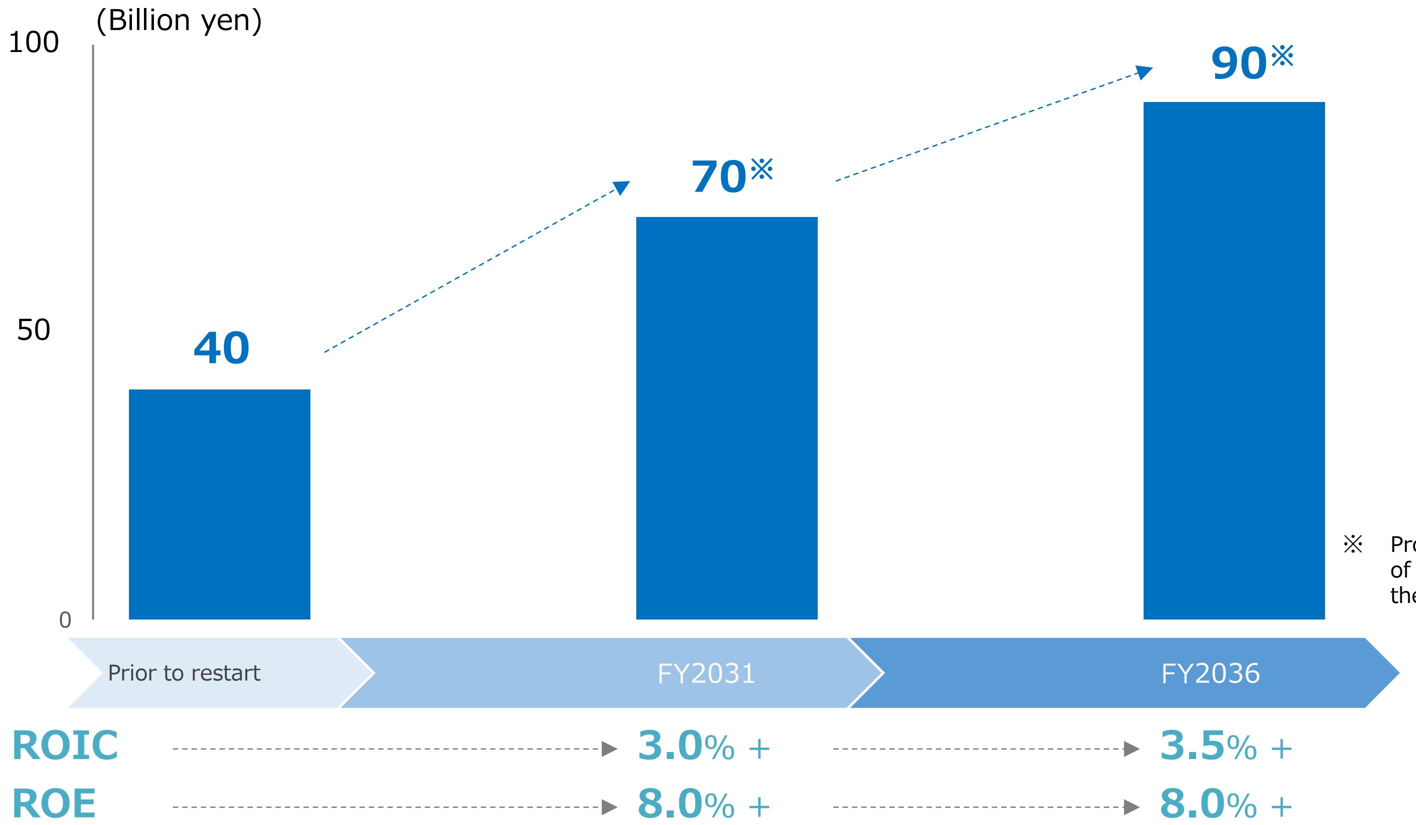
※2: The difference in greenhouse gas emissions between conventional products and services (baseline) and new products and services, quantifying the contribution to mitigating climate change (impact) across society with products and services.

Ordinary Income, ROIC & ROE

In addition to improving revenue following the restart of all Tomari Nuclear Power Station units, HEPCO Group will steady 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.

Change in Ordinary Income



※ Profit targets reflect the impact of planned rate cut following the restart of Tomari NPS

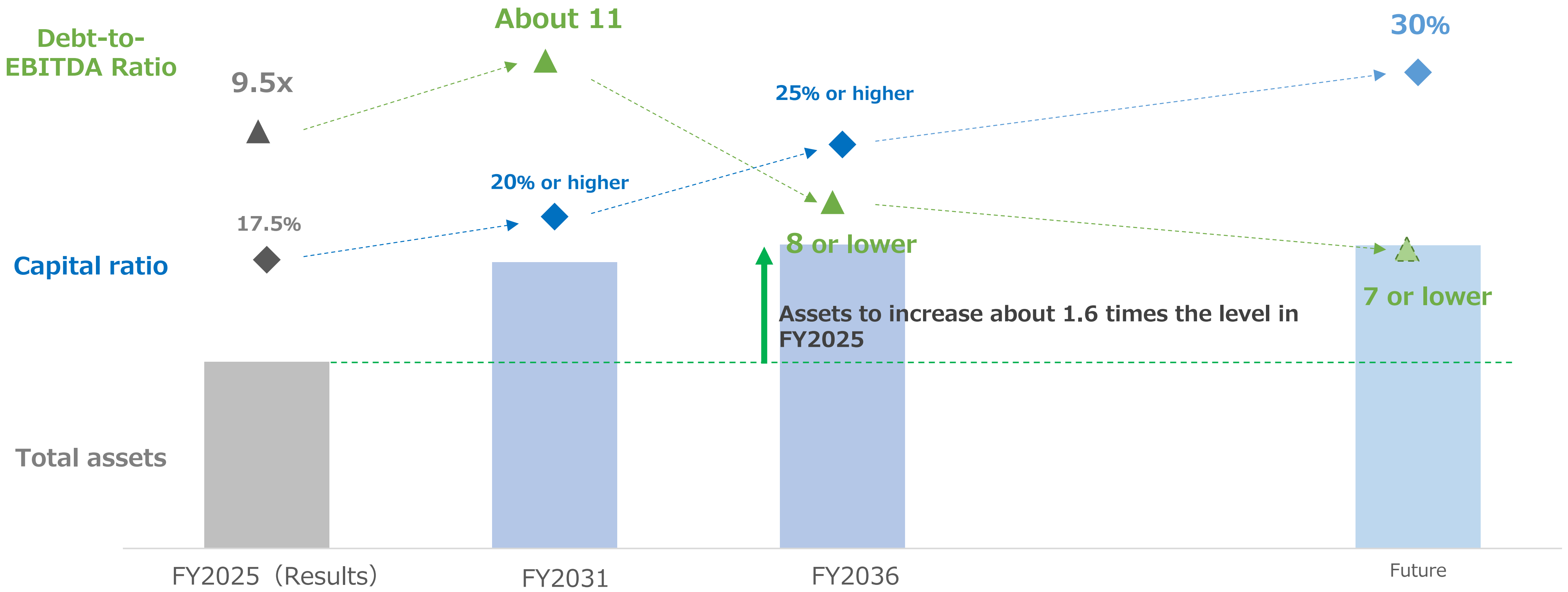
Capital Ratio & Debt-to-EBITDA Ratio

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.

Change in Capital Ratio and Debt-to-EBITDA Ratio



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

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

Cash OUT	
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

2025-35 Cumulative total (11 years)

2,550 Billion yen

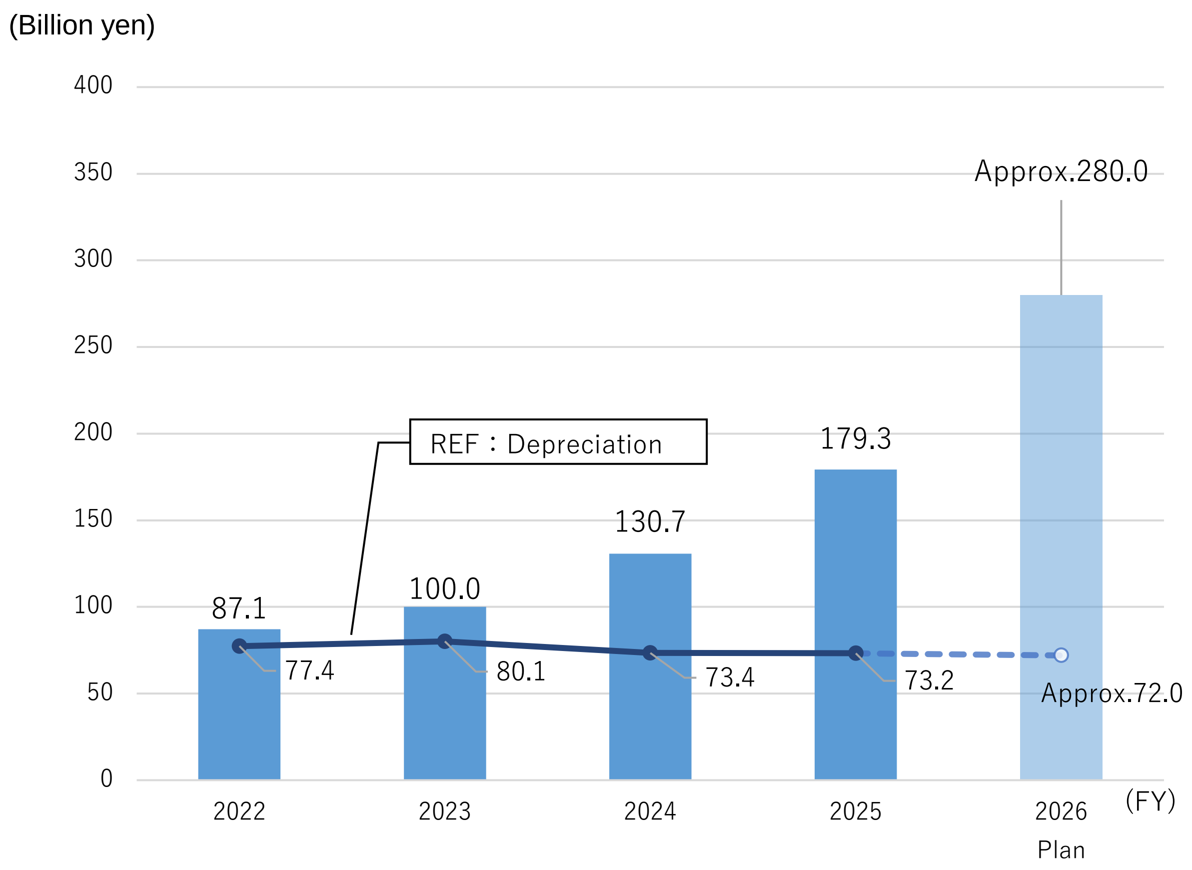
Cash IN	
Profit	580
Depreciation and amortization, etc.	1,210
Increase in external borrowing, etc.	760

Cash OUT	
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

*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 and Cash Flow

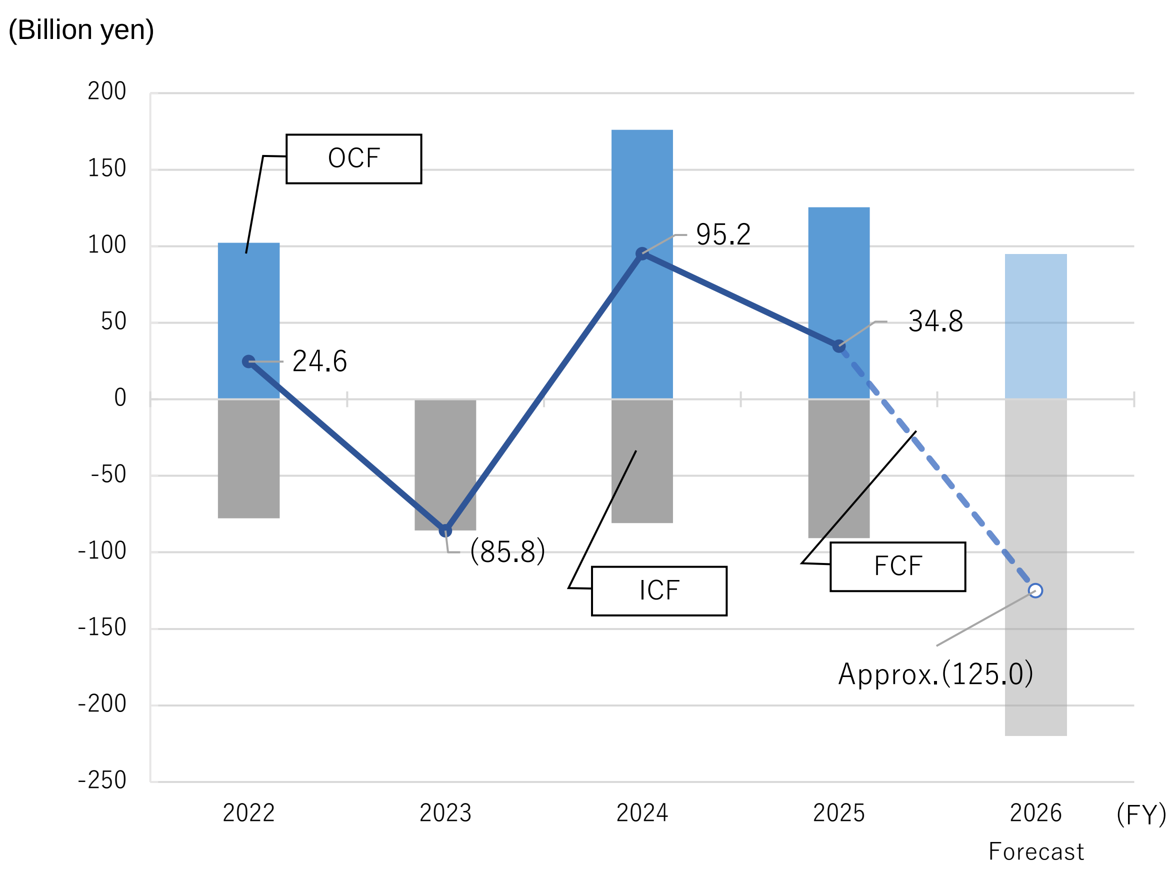
Capital Investment



(Unit: Billion yen, approx. Billion yen, Billion range)

		FY2022	FY2023	FY2024	FY2025	FY2026 Plan
Capital investment amount	HD	40.4	50.7	70.7	101.2	Approx.180.0
	NW	39.1	40.9	46.2	66.8	80.0 range
	Other	7.5	8.3	13.7	11.2	Approx.20.0
	Total	87.1	100.0	130.7	179.3	Approx.280.0

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)	(220.0)
FCF	24.6	(85.8)	95.2	34.8	(125.0)

Actual Demand for the Hokkaido Area

(GWh)

	1Q	2Q	3Q	4Q	FY2025	1Q	2Q	3Q	4Q	FY2026
Low voltage	2,739	2,580	2,768	4,066	12,153	2,734	2,683	**2,853**		
High-voltage and extra high-voltage	3,498	3,952	4,028	4,217	15,695	3,582	4,015	**4,033**		
Total	6,237	6,532	6,796	8,283	27,848	6,316	6,698	**6,886**		

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

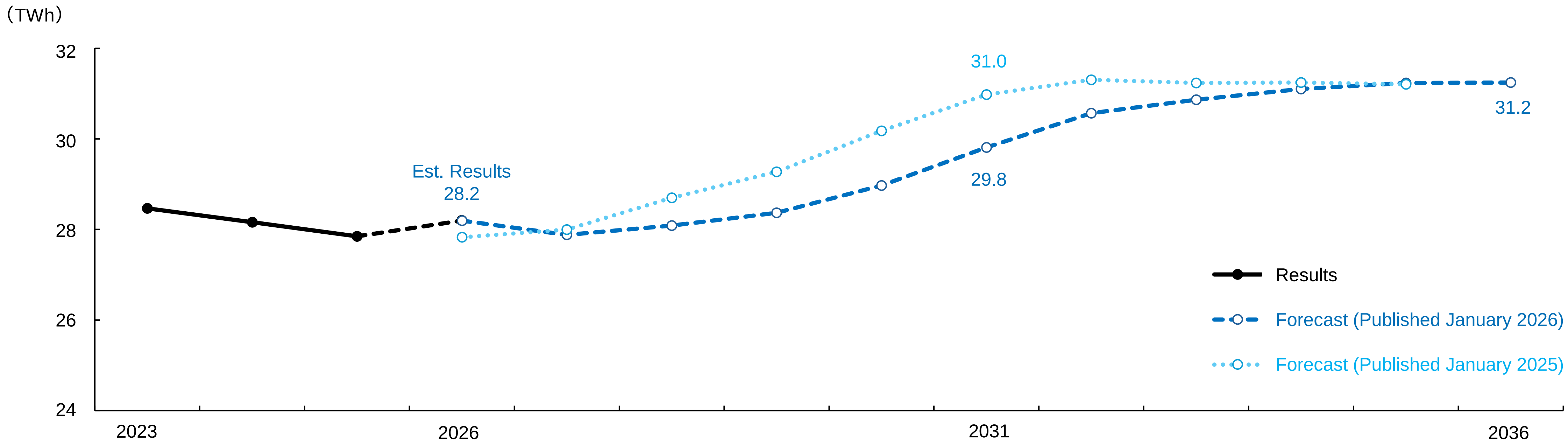
Reference: Last 10 years

(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

Demand in the Hokkaido area (based on the forecast by the OCCTO)

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 21, 2026 is as follows:



		FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
		Est. Results	Forecast									
Maximum electricity demand 1MW		5,060 [40]	5,060 [30]	5,090 [(40)]	5,170 [0]	5,240 [(50)]	5,390 [0]	5,440 [40]	5,430 [40]	5,420 [30]	5,390 [10]	5,370
Area electricity demand 1TWh		**28.2** [0.4]	**27.9** [(0.1)]	**28.1** [(0.6)]	**28.4** [(0.9)]	**29.0** [(1.2)]	**29.8** [(1.2)]	**30.6** [(0.7)]	**30.9** [(0.4)]	**31.1** [(0.1)]	**31.2** [0.0]	**31.2**
Reprint	Household, etc.	12.3	12.0	11.9	11.8	11.7	11.6	11.5	11.3	11.2	11.1	11.0
	Business	8.1	8.0	8.0	8.0	8.0	8.0	8.1	8.0	8.0	8.0	8.1
	Industrial	7.8	8.0	8.2	8.6	9.3	10.2	11.0	11.5	11.8	12.1	12.1

*1 Figures in parentheses are changes from last year’s published figures (January 22, 2025).

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

Our share in the Hokkaido region

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%	**76.2%**		
High-voltage and extra high-voltage	84.8%	83.5%	84.0%	83.7%	84.0%	80.4%	80.4%	**80.2%**		
Total	82.5%	80.6%	81.5%	82.3%	81.8%	79.0%	78.1%	**78.5%**		

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.

Plan to Develop Key Power Sources Moving Forward (HEPCO)

	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

Successful Bid in Auction for Long-term Decarbonized Power Source

	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.

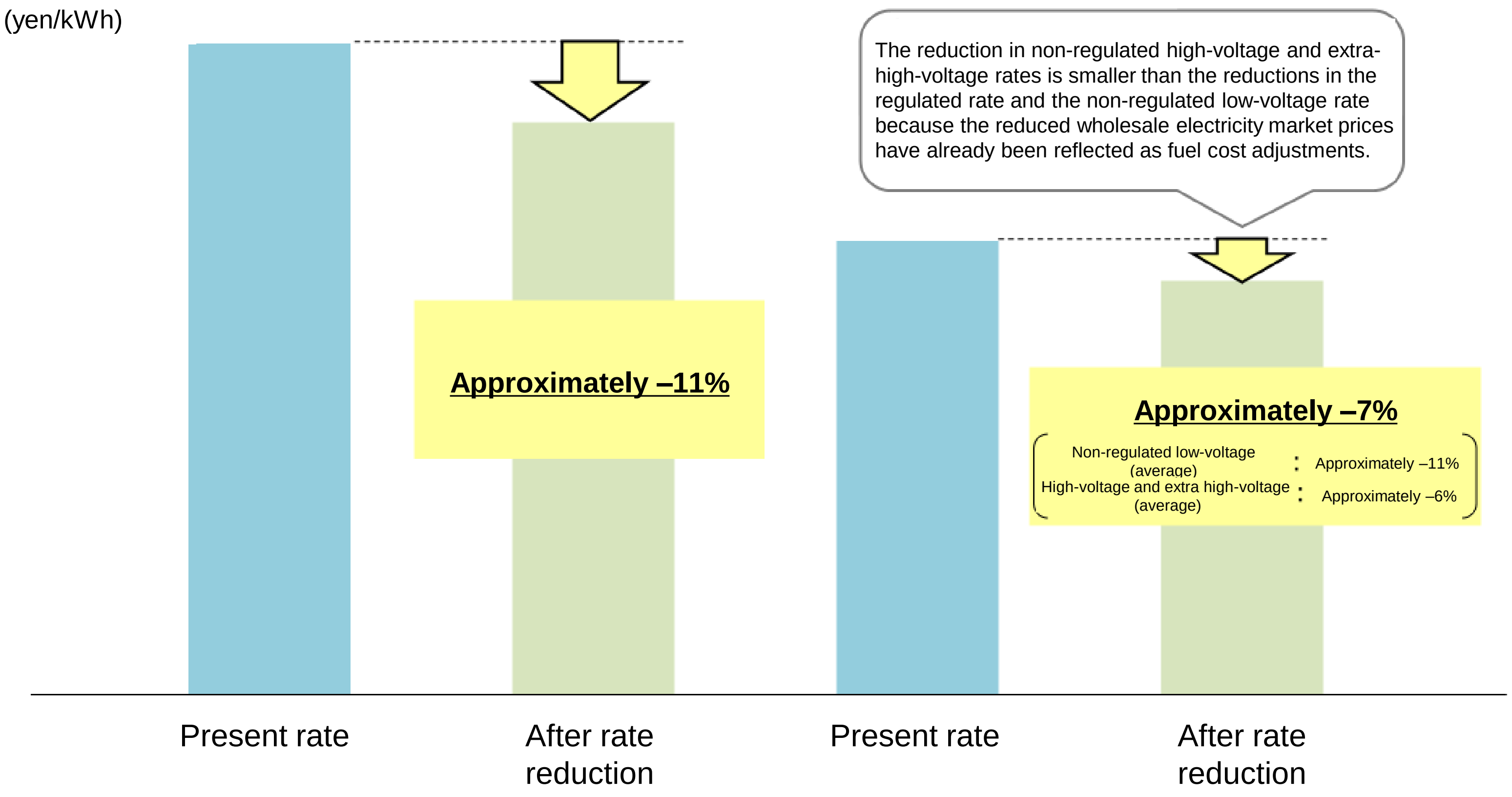
Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari NPS (1)

Materials publicly released as of October 31, 2025

Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant

Reference: Estimated electricity rate reduction levels (image)

Regulated rate	**Non-regulated rate (average)**
(Electricity rates for households*)	(Low-voltage non-regulated rate*/ High- and extra high-voltage rates)
*Estimated based on the Metered Lighting Model B	*Ene-toku Point Plan, Smart Electrification Plan, etc.



Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari NPS (2)

Materials publicly released as of October 31, 2025

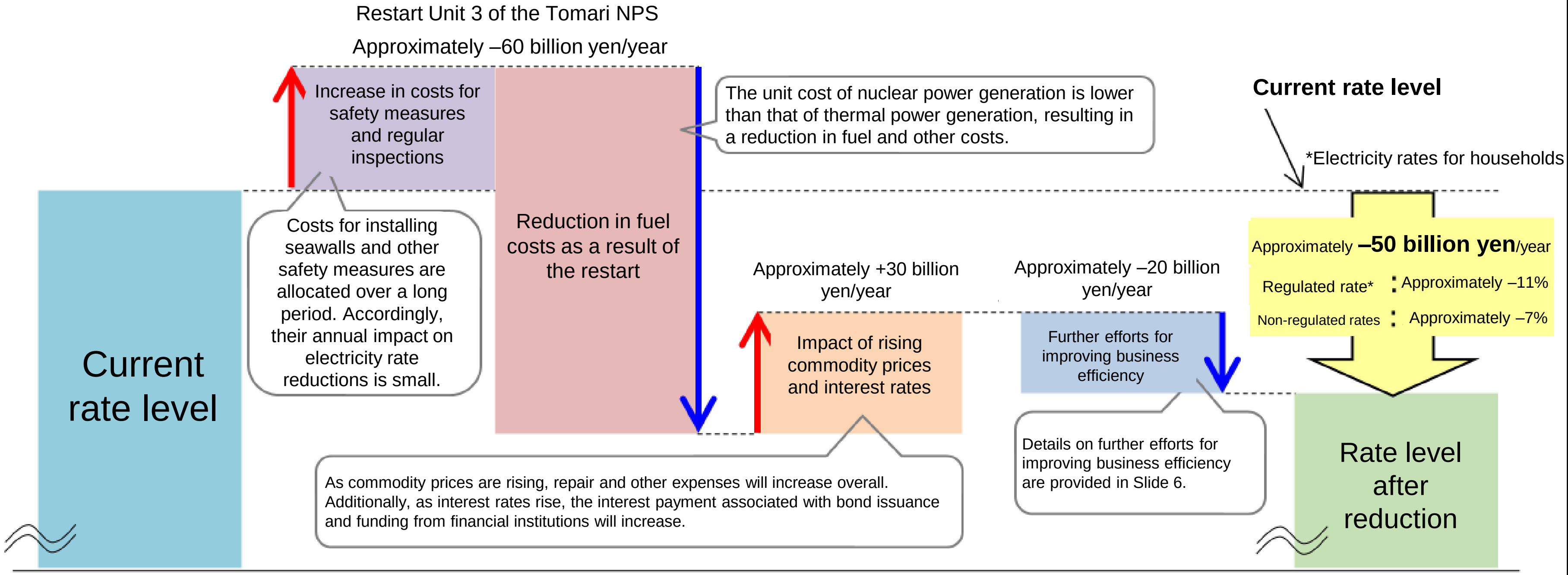
Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant

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.**



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Materials publicly released as of October 31, 2025

Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant

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.

Topics for Period After FY2026 2Q Results Announcement

Date	Topic	Related slide
November 27, 2025	Offering of the 408th Bonds of Hokkaido Electric Power Co., Inc. (HEPCO bonds) (HD)	–
November 28, 2025	Funding by a green loan (HD)	–
December 3, 2025	Acquisition of gas production, sales, and pipeline businesses from Japan Petroleum Exploration Co., Ltd.(HD)	P 30
December 19, 2025	HEPCO obtained certification for the Price Gap Support Program for its U.S. low-carbon ammonia project (HD)	–
January 30, 2026	Energy Supply Chain Concept Starting From the Tomakomai Area in Hokkaido -Toward Achieving Carbon Neutrality in Hokkaido and HEPCO's Sustainable Growth- (HD)	P 30

For further information

IR Group

Corporate Planning Department

Hokkaido Electric Power Co., Inc.

2, Higashi-1, Odori, Chuo-ku, Sapporo, Hokkaido 060-8677, JAPAN

URL: https://www.hepco.co.jp/