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Financial Results for FY2027 1Q

July 30, 2026

Hokkaido Electric Power Co., Inc.

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Business results

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Operating Revenue	214.4	202.4	11.9	5.9
Operating Profit	24.4	43.8	(19.4)	(44.3)
Ordinary Profit	18.7	41.6	(22.8)	(55.0)
Profit attributable to owners of parent	14.7	30.7	(15.9)	(52.0)
Basic net income per share [Yen]	70.25	148.17	(77.92)	

Financial status

(Unit: billion yen)

	As of June 30, 2026 (A)	As of March 31, 2026 (B)	Change (A)-(B)
Assets	2,535.6	2,471.0	64.6
Net Assets	487.8	473.6	14.2
Shareholders’ Equity Ratio	18.6%	18.5%	0.1%

Consolidated－Statement of Operations

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Ordinary Revenue	Operating Revenues	214.4	202.4	11.9	5.9
	Electricity utility operating revenue	202.4	190.4	12.0	6.3
	Other business operating revenue	11.9	12.0	(0.0)	(0.5)
	Non-operating Income	1.8	1.4	0.3	27.8
	Subtotal	216.3	203.9	12.3	6.1
Ordinary Expenses	Operating Expenses	190.0	158.5	31.4	19.8
	Electricity utility operating expenses	179.9	148.3	31.5	21.2
	Other business operating expenses	10.1	10.2	(0.0)	(0.9)
	Non-operating Expenses	7.5	3.6	3.8	104.7
	Subtotal	197.5	162.2	35.2	21.7
[Operating Profit]		[24.4]	[43.8]	[(19.4)]	[(44.3)]
Ordinary Profit		18.7	41.6	(22.8)	(55.0)
Provision or reversal of reserve for fluctuation in water levels		0.0	0.2	(0.1)	(75.7)
Extraordinary income		2.0	1.2	0.8	73.4
Profit before income taxes		20.8	42.6	(21.8)	(51.2)
Income taxes		5.8	11.8	(6.0)	(50.8)
Profit		14.9	30.8	(15.8)	(51.4)
Profit attributable to non-controlling interests		0.2	0.0	0.1	428.2
Profit attributable to owners of parent		14.7	30.7	(15.9)	(52.0)

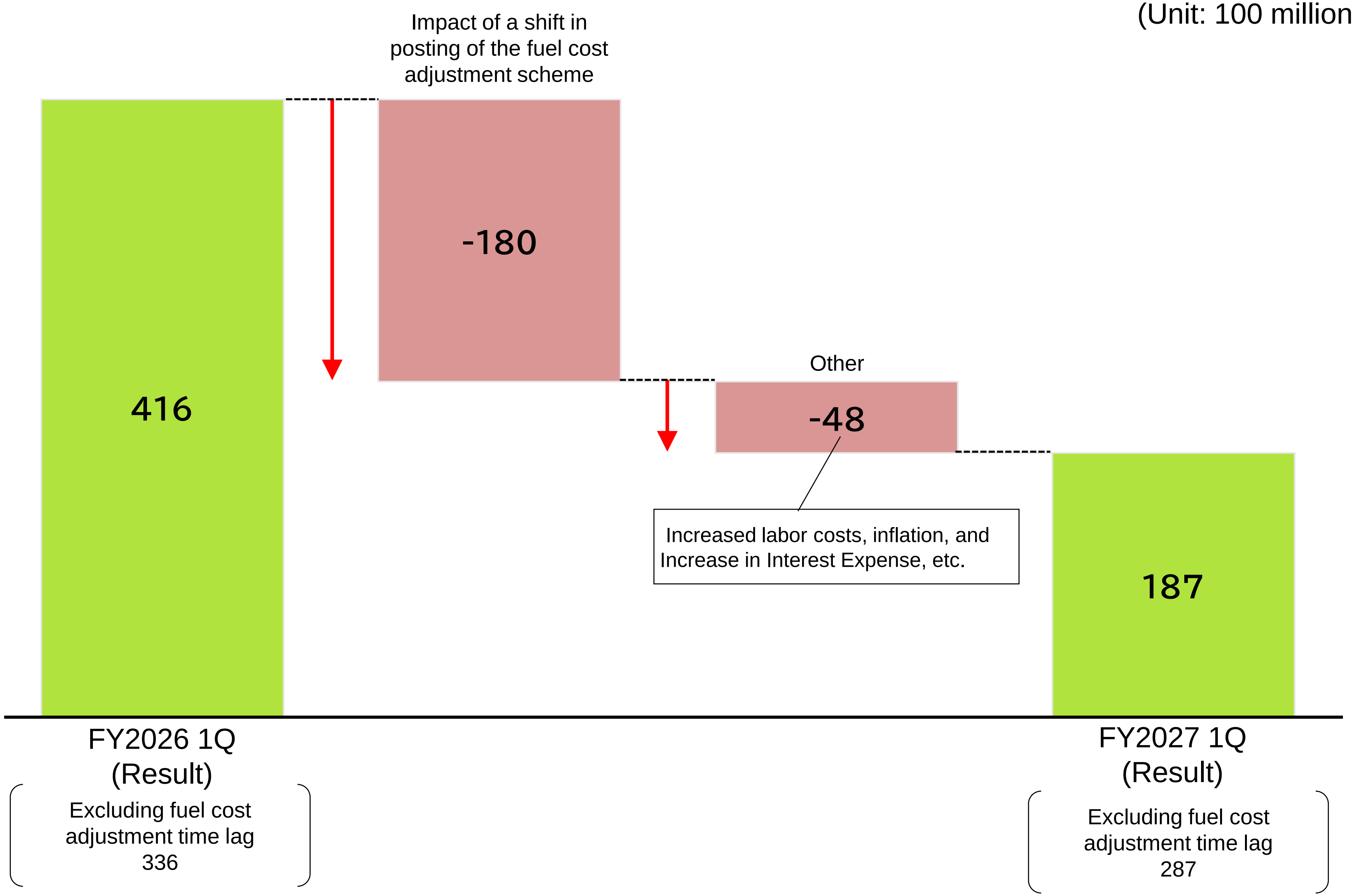
(Appendix)

Comprehensive Income	18.5	36.0	(17.4)	(48.4)

Outline of Consolidated Financial Results for FY2027 1Q

Operating revenue (Increase)	Operating revenue increased by 11.9 billion yen compared to the same period of the previous year, reaching 214.4 billion yen, driven mainly by higher electricity sales to other utilities resulting from an increase in direct wholesales.
Ordinary Profit (Decrease)	Ordinary income decreased by 22.8 billion yen compared to the same period of the previous fiscal year to 18.7 billion yen, mainly due to worsening of the profitability caused by the shift in the fuel cost adjustment scheme, which changed from a gain in the same period of the previous fiscal year to a loss.
Profit attributable to owners of parent (Decrease)	Profit attributable to owners of parent decreased by 15.9 billion yen to 14.7 billion yen from the previous year, mainly due to a decline in ordinary income.

(Unit: 100 million yen)



Forecasts of Consolidated Financial Performance for FY2027 (Ending March 2027)

Factoring in recent trends, we revised the FY2027 consolidated earnings forecast released on April 28,2026.

(Unit: Billion yen, billion kWh)

	FY2027 earnings forecast			YoY change for new forecast
	New forecast (A)	April forecast (B)	Change (A)－(B)	
Operating Revenue	Approximately 970.0	Approximately 970.0	Approximately the same	Approximately 114.0
Operating profit	Approximately 48.0	Approximately 48.0	Approximately the same	Approximately (25.0)
Ordinary profit	Approximately 30.0	Approximately 30.0	Approximately the same	Approximately (31.0)
Profit attributable to owners of parent	Approximately 22.0	Approximately 22.0	Approximately the same	Approximately (22.0)
Year-on-year change/ Retail electricity sales* and electricity sales to other utilities	*Approximately 10.9％* Approximately 37.9	*Approximately 5.0％* Approximately 35.8	Approximately 2.1	Approximately 3.7
Year-on-year change Retail electricity sales*	*Approximately (1.0％)* Approximately 21.9	*Approximately (1.0%)* Approximately 21.9	Approximately the same	Approximately (0.2)
Year-on-year change electricity sales	*Approximately 33.1％* Approximately 16.0	*Approximately 15.7％* Approximately 13.9	Approximately 2.1	Approximately 3.9

* 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 160	Approximately 158	Approximately 2	Approximately 9
CIF crude oil price (USD per barrel)	Approximately 85.0	Approximately 95.0	Approximately (10.0)	Approximately 14.0

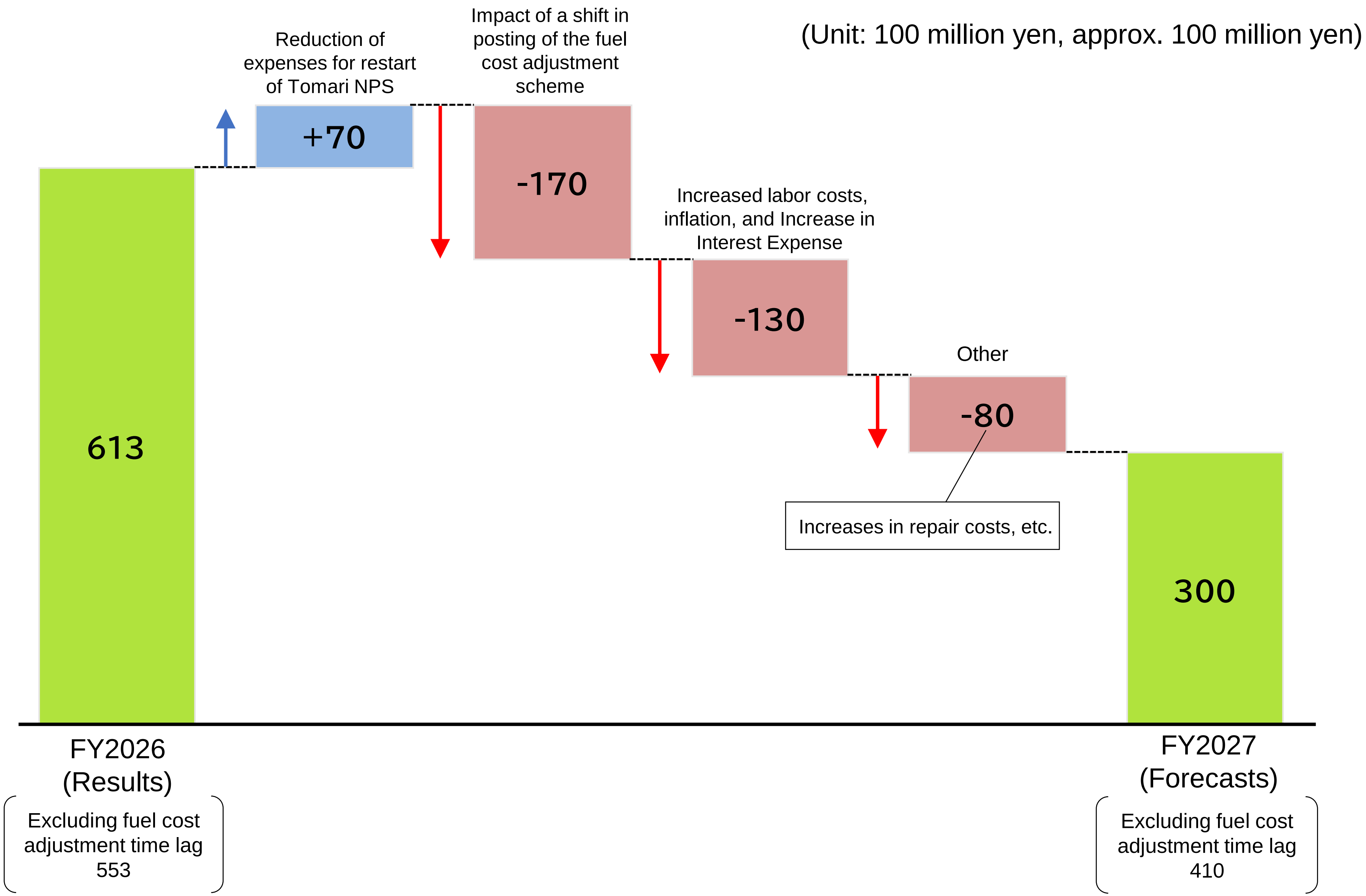
Note: We assume a foreign exchange rate of about 160 yen per dollar and the CIF crude oil price of about 77 dollar per barrel for July 2026 and thereafter.

Summary of Forecasts of Consolidated Financial Performance in FY2027

Electricity Sales	The estimate for retail electricity sales is not changed from the April 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 37.9 billion kWh, an increase of 2.1 billion kWh in contrast with the forecast announced in April 2026.
Operating revenue	Operating revenue is expected to be approximately 970.0 billion yen, roughly the same as the estimate announced in April. While there will be a decrease in the fuel cost adjustment due to lower fuel prices and other factors, this will be offset by an increase in electricity sales to other utilities, driven by higher direct wholesale sales.
Ordinary income	Although the profitability has improved due to the shrink in time difference loss under the fuel cost adjustment system with lower fuel prices and other factors, we forecast ordinary income to be around 30.0 billion yen, the same level projected in the April announcement, mainly due to an increase in costs to restore power generation facilities.
Profit attributable to owners of parent	Profit attributable to owners of parent is expected to be approximately 22.0 billion yen, unchanged from the projection announced in April.

Forecasts of Consolidated Financial Performance for FY2027 (Ending March 2027) －YoY changes in ordinary income

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



FY2027 Dividend Forecasts

We reiterate our FY2027 interim and 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
FY2026 Actual	¥15	¥17	¥32	¥1,500,000	¥1,500,000	¥3,000,000
FY2027 (forecasts)	¥16.5	¥16.5	¥33	¥1,500,000	¥1,500,000	¥3,000,000

・Retail electricity sales volume totaled 4,837 million kWh, a decrease of 2.9% year on year, primarily due to a highly competitive business environment and lower heating demand during the warm early spring.

・Electricity sales to other utilities totaled 3,734 million kWh, an increase of 20.0% year-over-year, mainly due to a rise in the direct wholesale volume.

（Unit: GWh）

			FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Retail electricity sales	Low-voltage customers	Residential	1,707	1,774	(67)	(3.7)
		Commercial and Industrial	292	332	(40)	(12.1)
		subtotal	1,999	2,106	(107)	(5.0)
	High-voltage and Extra high-voltage customers		2,824	2,859	(35)	(1.2)
	Subtotal (*1)		4,823	4,965	(142)	(2.9)
	Other (*2)		14	14	(0)	(3.2)
	Total		4,837	4,979	(142)	(2.9)
Electricity sales to other utility			3,734	3,111	623	20.0
Total			8,571	8,090	481	5.9

*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

(Unit: GWh, %)

		FY2027												
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	**Total**
Low-voltage customers	Residential	666	603	438										1,707
	Commercial and industrial	140	90	62										292
	Subtotal	806	693	500										1,999
High-voltage and Extra High-voltage customers		941	924	959										2,824
[%YoY]		[(4.0%)]	[(2.9%)]	[(1.5%)]										[(2.9%)]
Total		1,747	1,617	1,459										4,823

		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	934	779	683	7,719
	Commercial and industrial	167	99	66	81	94	79	73	104	164	307	278	199	1,711
	Subtotal	857	734	515	617	741	609	581	737	859	1,241	1,057	882	9,430
High-voltage and Extra High-voltage customers		962	931	966	1,125	1,064	998	1,000	1,019	1,166	1,219	1,077	1,101	12,628
[%YoY]		[(1.9%)]	[(2.3%)]	[(5.3%)]	[0.7%]	[(2.6%)]	[(5.1%)]	[(1.9%)]	[(3.1%)]	[(4.3%)]	[(2.1%)]	[0.0%]	[(7.4%)]	[(3.0%)]
Total		1,819	1,665	1,481	1,742	1,805	1,607	1,581	1,756	2,025	2,460	2,134	1,983	22,058

Average temperature in Hokkaido(Sapporo)

(Unit: ˚C)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature (2026～2027)	actual	3.6	9.4	14.6	18.5									
	YoY	1.6	0.9	(0.3)	(2.1)									
	deviation	2.5	2.1	1.6	1.5									

Consolidated; Statement of Operations (Revenue)

(Unit: billion yen)

				FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Operating Revenue				214.4	202.4	11.9	5.9	
	Electric utility operating revenue			202.4	190.4	12.0	6.3	
		Two companies total*	Commercial and Industrial	127.6	137.0	(9.3)	(6.8)	• Decrease in fuel price (5.0) • Decrease in retail electricity sales
			Others	75.4	54.0	21.4	39.7	• Increase in direct wholesale sales
			Sold power to other utilities & Sold power to other suppliers (Repost)	56.5	37.4	19.1	51.2	
			Transmission revenue (Repost)	14.4	11.3	3.1	28.1	
		Subsidiary / consolidation revision		(0.6)	(0.5)	(0.0)	5.7	
	Other business operating revenue			11.9	12.0	(0.0)	(0.5)	
Non-operating Income				1.8	1.4	0.3	27.8	
Ordinary Revenue				216.3	203.9	12.3	6.1	

*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.

・Despite a water supply rate of 97.2%, which was below the average-year level, and the shutdown of all reactors at the Tomari Power Station, we were able to secure a stable supply through the appropriate operation of supply facilities.

（Unit: GWh）

				FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %
Generated Power	[Water flow rate %] Hydroelectric			[97.2%] 1,124	[103.0%] 1,280	[(5.8%)] (156)	(12.2)
	Fossil Fuel	Coal	Domestic Coal	111	80	31	37.7
			Foreign coal	1,368	2,302	(934)	(40.6)
			Subtotal	1,479	2,382	(903)	(37.9)
		Oil		151	45	106	230.1
		LNG		792	659	133	20.3
	Subtotal			2,422	3,086	(664)	(21.5)
	[Nuclear capacity ratio %] Nuclear			(-) -	(-) -	(-) -	(-) -
	Renewable, etc.			19	29	(10)	(34.2)
Subtotal				3,565	4,395	(830)	(18.9)
Power received by other companies*				5,478	4,258	1,220	28.7
Power used for pumped storage, etc.				(158)	(170)	12	(6.8)
Total				8,885	8,483	402	4.7

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

Fuel Consumption (Hepco)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)
Coal (10,000 tons)	Domestic Coal	5.5	4.0	1.5
	Foreign coal	47.8	77.4	(29.6)
	Subtotal	53.3	81.4	(28.1)
Oil (10,000 kL)		3.5	0.9	2.6
LNG (10,000tons)		9.8	8.5	1.3

Consolidated Statement of Operations (Expenses and Ordinary Profit)

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Electric utility operating expenses		179.9	148.3	31.5	21.2	
Two companies total*	Personnel	13.8	13.7	0.1	1.2	
	Fuel	25.2	26.9	(1.7)	(6.4)	• Increase in fuel prices and wholesale electricity market prices 10.4 • Increase in direct wholesale purchases • Decrease in retail electricity sales
	Purchased Power	80.2	50.8	29.3	57.6	
	Maintenance	11.2	10.2	0.9	9.4	• Increased labor costs and price increases 0.8
	Depreciation	16.2	16.2	(0.0)	(0.1)	
	Other Expenses	34.3	30.9	3.4	11.2	• Increased labor costs and price increases 1.3 • Increase in system-related costs 3.0
Subsidiary / consolidation revision		(1.1)	(0.5)	(0.6)	114.2	
Other business operating expenses		10.1	10.2	(0.0)	(0.9)	
Non-operating Expenses		7.5	3.6	3.8	104.7	
Interest Expenses(Repost)		4.9	3.1	1.7	56.2	• Impact of interest rates 1.3
Ordinary Expenses		197.5	162.2	35.2	21.7	
Ordinary profit		18.7	41.6	(22.8)	(55.0)	

*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.

Consolidated; Segment Information

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Consolidated	Operating Revenue	214.4	202.4	11.9	
	Segment Income/loss (Ordinary Income/loss)	18.7	41.6	(22.8)	
Hokkaido Electric Power Company	Operating Revenue	180.3	175.3	5.0	• Increase in direct wholesale sales
	Segment Income/loss (Ordinary Income/loss)	21.2	37.3	(16.1)	• Worsened profitability due to the impact of the fuel cost adjustment system timing difference shifting from a gain to a loss
Hokkaido Electric Power Network	Operating Revenue	83.1	72.9	10.1	• Increase in sales of electricity to other utilities
	Segment Income/loss (Ordinary Income/loss)	(3.2)	4.4	(7.7)	• Increased labor costs and price increases • Increase in Interest Expense • Increase in system-related costs
Other *1	Operating Revenue	34.6	30.4	4.1	
	Segment Income/loss (Ordinary Income/loss)	2.6	1.9	0.7	• Increase in sales in the construction industry • Constant cost reduction
Adjustments *2	Operating Revenue	(83.6)	(76.2)	(7.3)	
	Segment Income/loss (Ordinary Income/loss)	(1.8)	(2.1)	0.2	

*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.

Ordinary Income /Loss by Segment

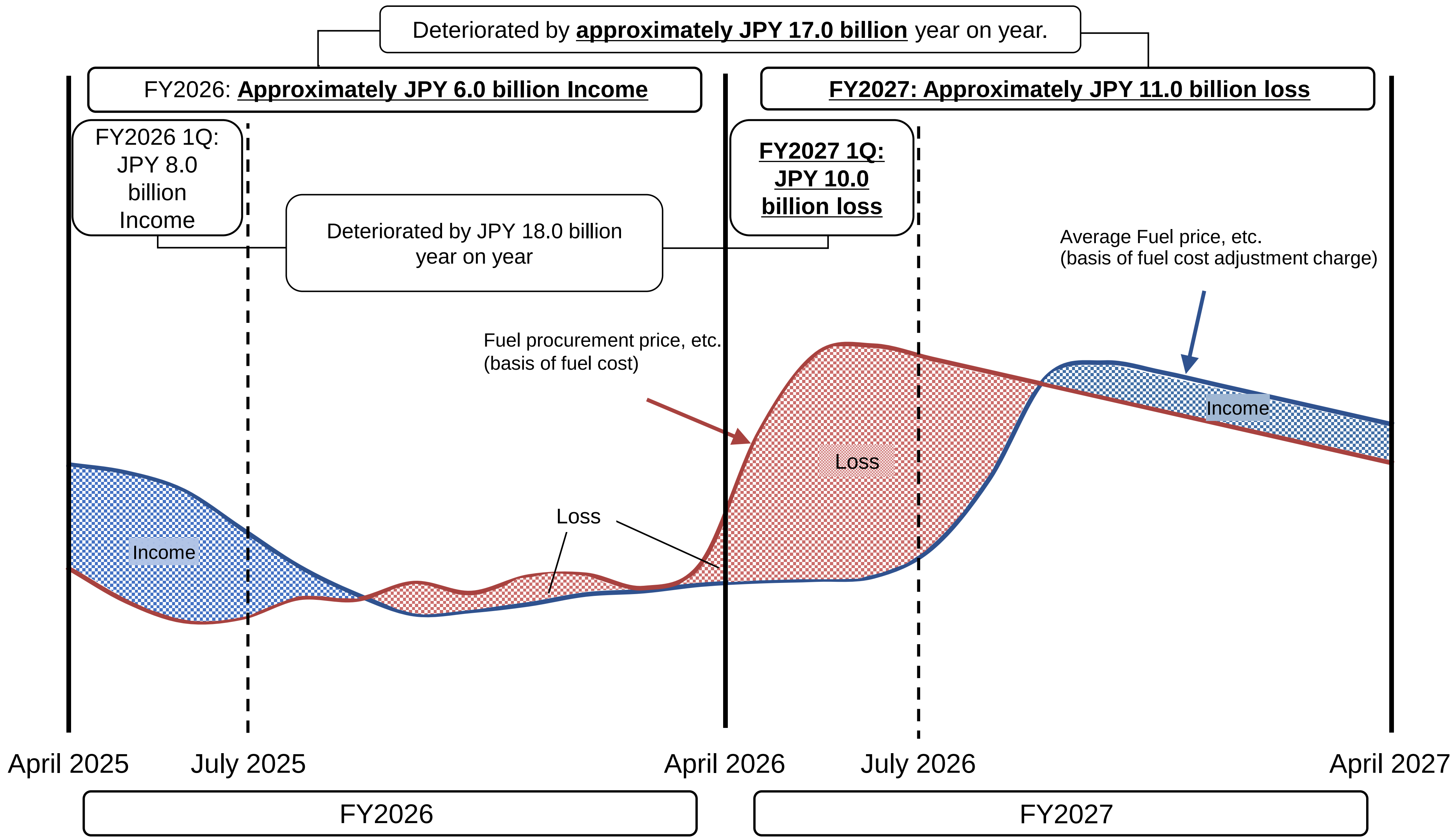
(Unit: billion yen)

	FY2027 Forecasts (A)	FY2026 Results (B)	Change (A)-(B)	Major cause of increase/decrease
Consolidated	Approx. 30.0	61.3	Approx. (31.0)	
Hokkaido Electric Power Company	Approx. 32.0	44.6	Approx. (13.0)	• Reduction of expenses for restart of Tomari NPS • Worsened profitability due to the impact of the fuel cost adjustment system timing difference shifting from a gain to a loss • Increased labor costs and price increases • Increase in Interest Expense
Hokkaido Electric Power Network	Approx. (13.0)	2.5	Approx. (15.0)	• Increased labor costs and price increases • Increase in Interest Expense • Decrease in area demand, which was stronger last summer due to the higher temperatures.
Other *1 & Adjustments *2	Approx. 11.0	14.2	Approx. (3.0)	• Decrease in sales in the construction industry

*1 “Other” refers to the Forecasts 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 scheme in FY2027 (image)



Personnel

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Personnel	13.8	13.7	0.1	

【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.
*A quarter of the annual depreciation expense was posted in the current 1Q.

(Unit: billion yen)

	Amount accrued	Amortization of the previous year	FY2027		
			Amortization	Unamortized Balance	Ending FY [remaining year]
FY2021	(4.6)	(0.9)		―	-
FY2022	5.3	1.0	1.0	―	-
FY2023	2.9	0.6	0.6	0.6	2028（1 years）
FY2024	(5.6)	(1.1)	(1.1)	(2.2)	2029（2 years）
FY2025	(12.9)	(2.6)	(2.6)	(7.7)	2030（3 years）
FY2026	(17.4)	―	(3.4)	(13.9)	2031（4 years）
Total		(3.0)	(5.5)	(23.3)	

*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.

Expense breakdown（Two Companies Total*）②

Fuel and Purchased Power

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Fuel and Purchased Power		105.4	77.8	27.5	• Increase in fuel prices 10.4 • Increase in direct wholesale purchases • Decrease in retail electricity sales
Break down	Fuel	25.2	26.9	(1.7)	
	Purchased Power	80.2	50.8	29.3	

*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.

Expense breakdown（Two Companies Total*）③

Maintenance

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Maintenance		11.2	10.2	0.9	• Increased labor costs and price increases 0.8 † Including the currently closed Date Plant and other plants
Break Down	Generation†	3.1	3.4	(0.2)	
	Others	8.0	6.7	1.2	

*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

(Unit: billion yen)

		FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Depreciation		16.2	16.2	(0.0)	
Break Down	Generation	7.9	8.1	(0.2)	
	Others	8.2	8.0	0.2	

*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

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
[Interest(on average)%] Interest Expenses	[1.23] 4.9	[0.89] 3.1	[0.34] 1.7	• Impact of interest rates 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.

Other Expenses

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)	Major cause of increase/decrease
Other Expenses	34.3	30.9	3.4	• Increased labor costs and price increases 1.3 • Increase in system-related costs 3.0

*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.

Key Factors

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)
Foreign Exchange Rate (Yen/$)	160	145	15
CIF Crude Oil Price ($/barrel)	112.7	75.2	37.5
Foreign coal CIF ($/t)	139.5	121.0	18.5
LNG CIF ($/t)	585.7	597.5	(11.8)
Water Flow Rate (%)	97.2	103.0	(5.8)

Sensitivity Factors

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)
Foreign Exchange Rate (1Yen/$)	0.2	0.2	0.0
CIF Crude Oil Price (1$/barrel)	0.1	0.0	0.1
Foreign coal CIF (1$/t)	0.1	0.1	0.0
LNG CIF (1$/t)	0.02	0.01	0.01
Water Flow Rate (1%)	0.2	0.1	0.1

Consolidated; Statements of Balance Sheets

(Unit: billion yen)

	As of June 30, 2026 (A)	As of March 31, 2026 (B)	Change (A)-(B)	Major factors for increase/decrease
Assets	2,535.6	2,471.0	64.6	• Increase in fixed assets due to investments to respond to rising electricity demand and achieve carbon neutrality 59.0 • Progress of depreciation (17.8)
Liabilities	2,047.7	1,997.4	50.3	• Increase in interest-bearing debt 82.1 • Decrease in outstanding liabilities due to payment of construction costs (47.4)
Net Assets	487.8	473.6	14.2	• Posting of quarterly profit attributable to owners of parent 14.7 • Dividends paid (4.2)

(Unit: billion yen, %)

	As of June 30, 2026 (A)	As of March 31, 2026 (B)	Change (A)-(B)
Interest-bearing Debt . Outstanding	1,642.2	1,560.0	82.1
Shareholders' Equity Ratio	18.6	18.5	0.1

Consolidated; Statements of Comprehensive Income

(Unit: billion yen)

	FY2027 1Q (A)	FY2026 1Q (B)	Change (A)-(B)
Profit	14.9	30.8	(15.8)
Other Comprehensive Income	3.6	5.2	(1.6)
Valuation difference on available-for-sale securities [included in “Other Comprehensive Income”]	4.8	1.5	3.3
Deferred gains or losses on hedge [included in “Other Comprehensive Income”]	0.0	0.3	(0.2)
Remeasurements of defined benefit plans [included in “Other Comprehensive Income”]	(1.4)	3.3	(4.7)
Share of other comprehensive income of entities accounted for using equity method	0.0	0.0	0.0
Comprehensive Income	18.5	36.0	(17.4)
Comprehensive income attributable to owners of parent [included in “Comprehensive Income”]	18.4	36.0	(17.6)
Comprehensive income attributable to non-controlling interests [included in “Comprehensive Income”]	0.1	0.0	0.1

Management Approach

Installation work on the new seawall

【P30】

- Construction is scheduled to be completed in August 2027.
  (For details, please refer to the press release below published on July 30.)
  https://www.hepco.co.jp/info/2026/1253148_2073.html

- The excavation work was completed in the end of January 2026. Concrete and cement-modified soil placement are currently underway for the main body of the seawall.
  (Overall progress rate: 66.5% as of July 20, 2026)

Progress of Work on Other Safety Measures

【P30】

- Other safety measures, including seismic reinforcements of buildings and outdoor overflow prevention work, have also progressed.

Review and inspections of conformity with new regulations

- We are continuing to proceed with the examination for the design and construction plan approval and other processes. We submitted all necessary documents for the examination by April 2026, and we are currently responding to points raised during the examination.

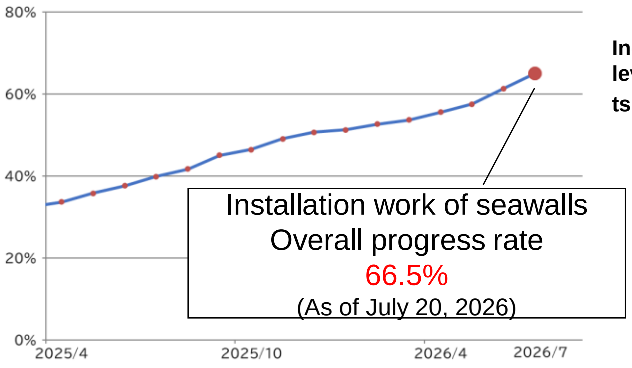
Establishment of a new loading area outside the Tomari Power Plant and transportation route

- We are currently conducting geological surveys necessary for detailed design. Detailed structural specifications will be determined in FY2027.

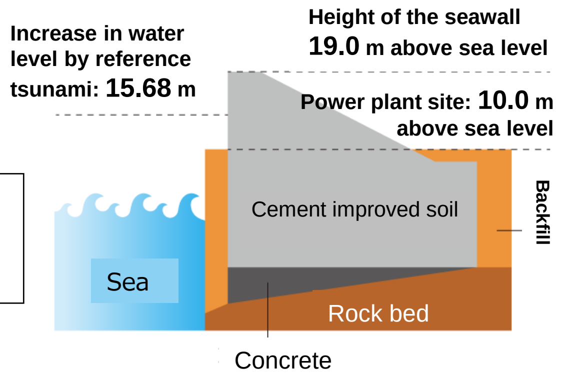
Installation work on the new seawall

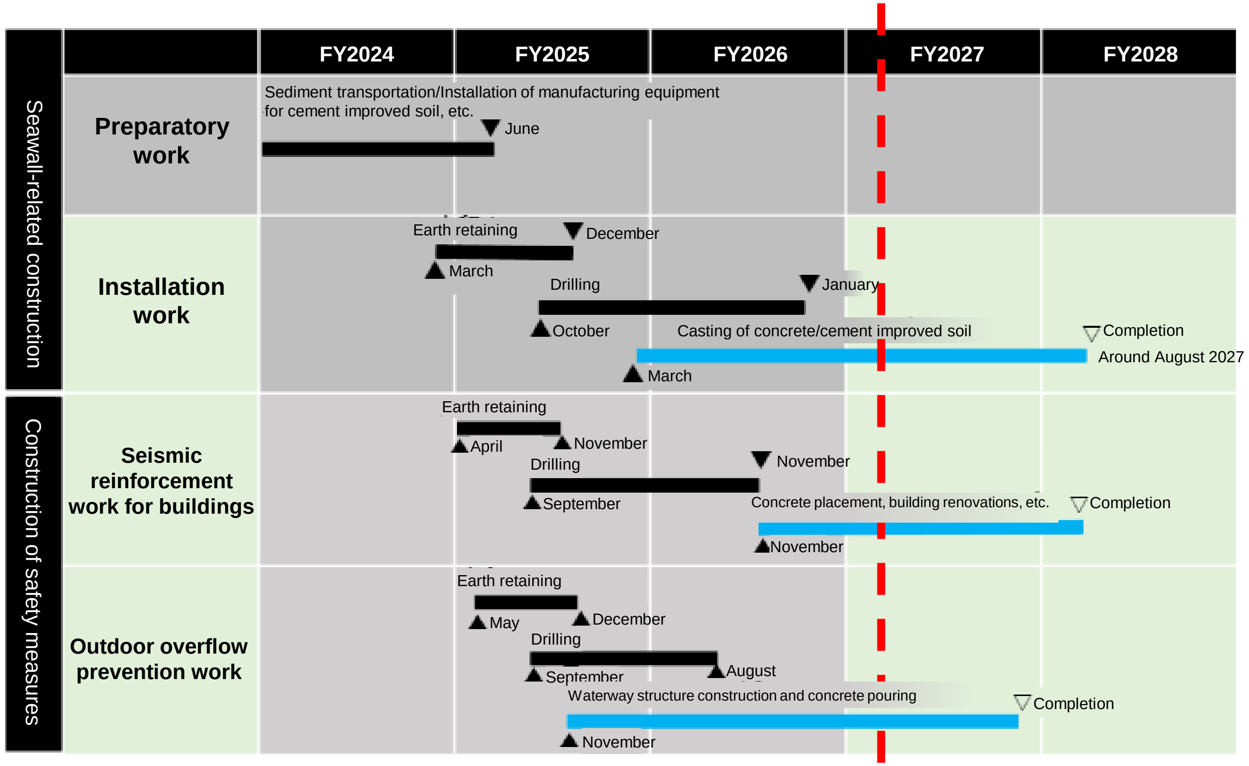
・Installation work is scheduled for completion in August 2027.
・Currently, we are placing concrete and cement-modified soil.

[Progress of installation work]



[The structure of the new seawall and its installation]



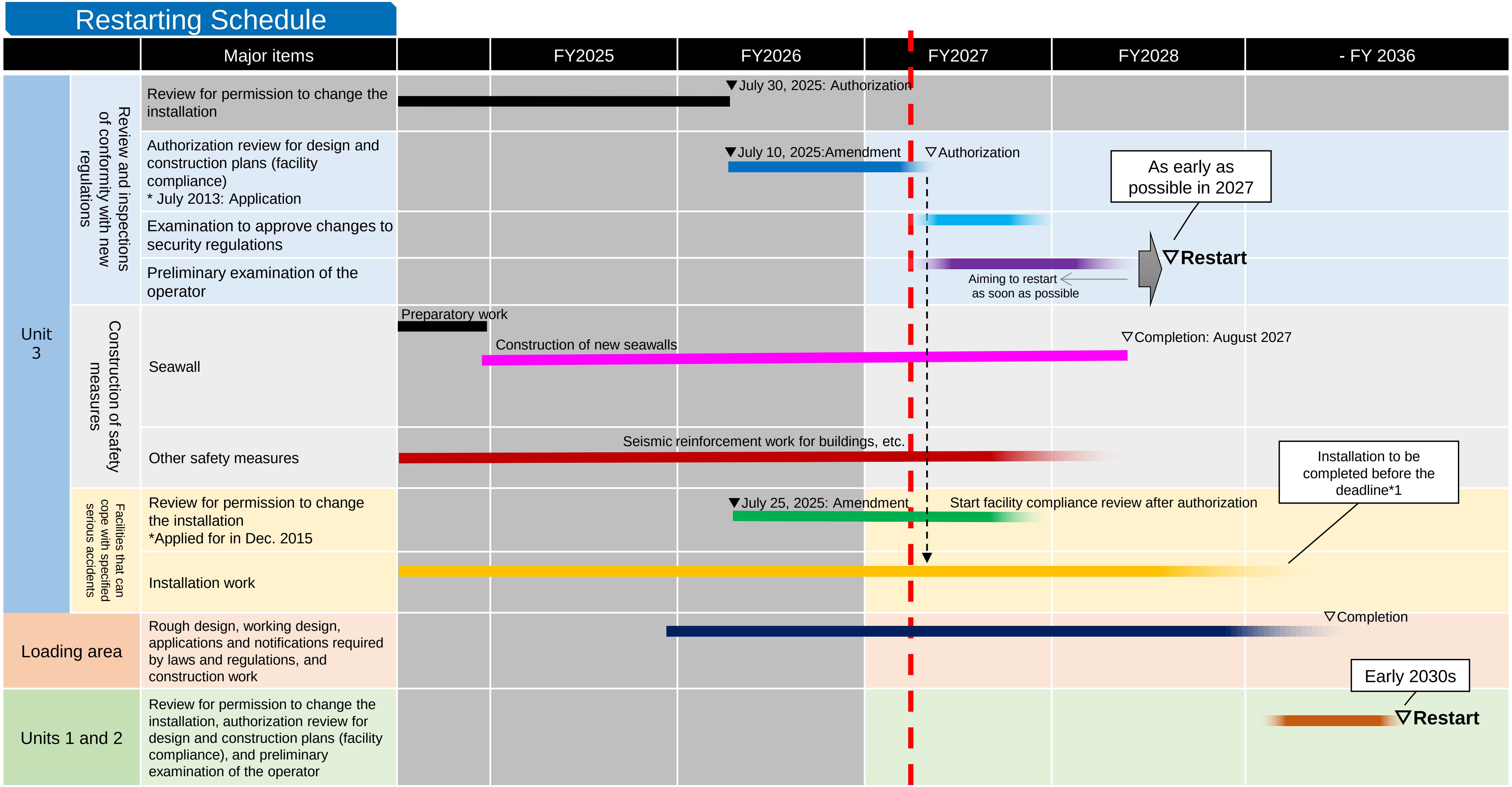


Work on Other Safety Measures

・We are improving the seismic reinforcement of buildings and reconstructing
drainage channels to prevent water overflow on the site during earthquakes.
・As the seawall construction schedule was changed, we have also changed the schedules for these construction works.

Efforts towards restarting the Tomari NPS (2)

Hokkaido Electric Power Co.,Inc.



*1 At the Nuclear Regulation Authority meeting on June 3, it was approved to conduct a public comment period (30 days from June 4 to July 3) regarding a proposal to amend the Nuclear Regulation Authority rules to change the starting day of the grace period (5 years) from the “approval date of the Design and Construction Plan” for the main plant facility to the “Pre-use Inspection Date” of the main plant facility. The start date of the grace period will be changed based on the results of public comments after the proposed rule to partially amend the Nuclear Regulation Authority rules is discussed at the Nuclear Regulation Authority meeting.

Application for approval of change in revenue forecast for wheeling service (1)

- On July 10, 2026, Hokkaido Electric Power Network filed an application for approval of changes to the Revenue Forecast for Wheeling Services (hereinafter referred to as the "Revenue Forecast") with the Minister of Economy, Trade and Industry, pursuant to Article 17-2, Paragraph 4 of the Electricity Business Act.
- For details, please refer to the press release below.
  https://www.hepco.co.jp/network/info/2026/1253138_2077.html

Published materials (excerpt)

6. Future schedule

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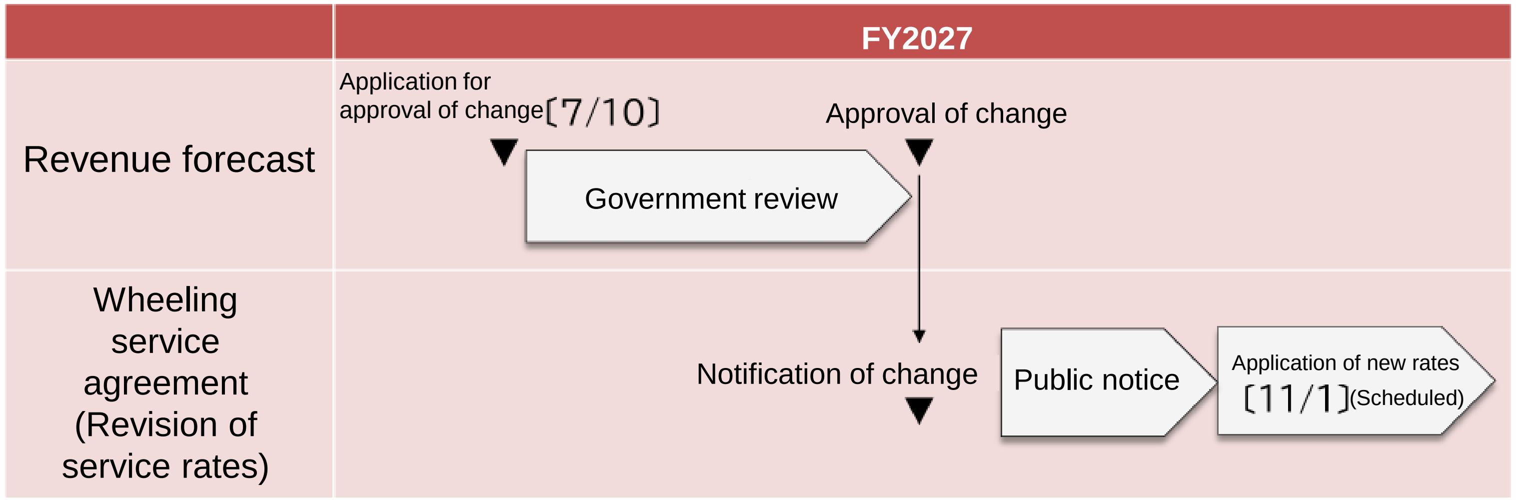
✓ The Revenue Forecast submitted today will be reviewed by the government and determined upon approval by the Minister of Economy, Trade and Industry.

✓ Following that, based on the approved Revenue Forecast, we will promptly file a notification of changes to the wheeling service agreement and will apply the new wheeling service rates starting November 1, 2026.

Future schedule



Hokkaido Electric Power Co., Inc.

Published materials (excerpt)

5. Outline of Application for Approval of Changes to Revenue Forecast

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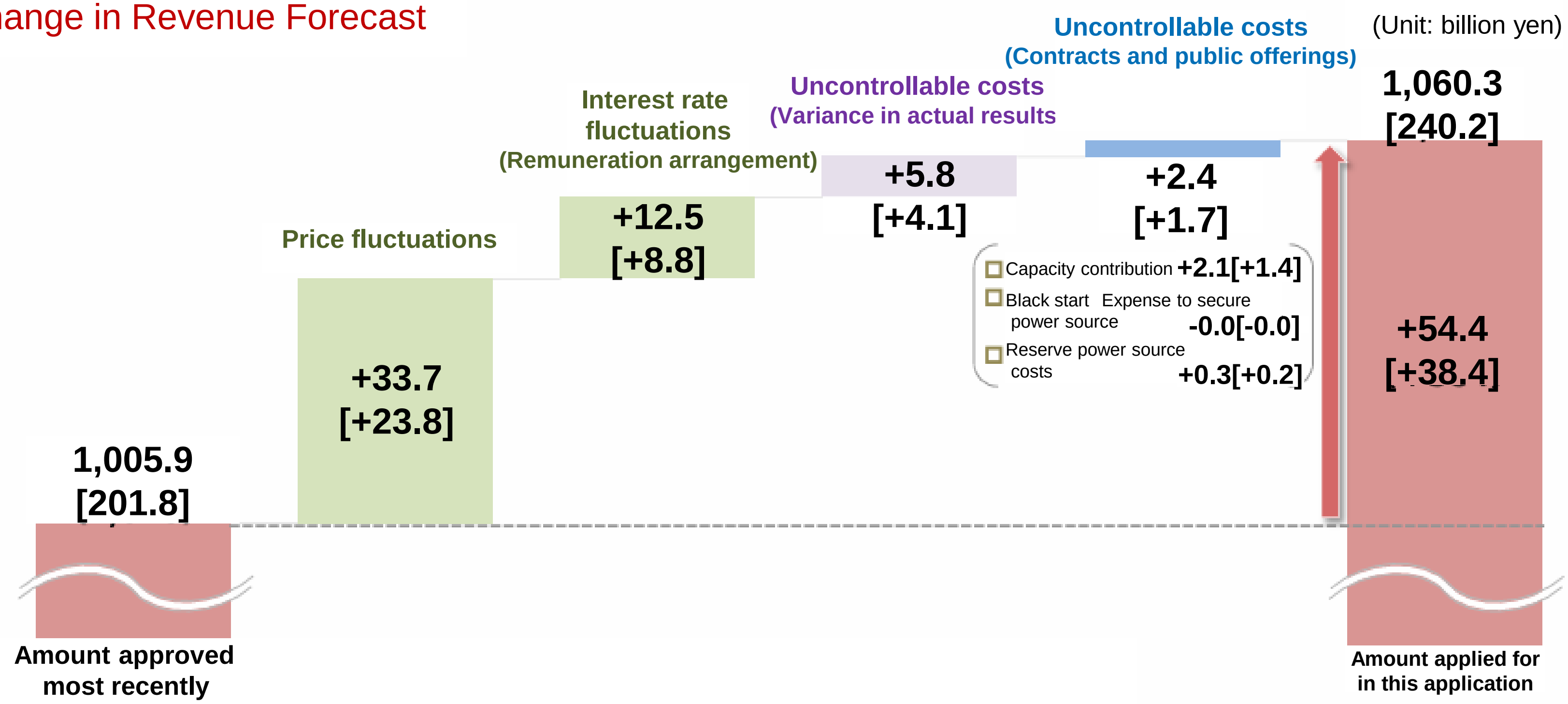
- ✓ In this application, we have reflected newly approved institutional measures for price and interest rate fluctuations (46.2 billion yen), the variance in uncontrollable costs (5.8 billion yen), and the results of market contracts and public offerings (2.4 billion yen).
- ✓ As a result, our Revenue Forecast (5-year total) in this application will increase by 54.4 billion yen from the current 1,005.9 billion yen (approved on November 24, 2023) to 1,060.3 billion yen.

Change in Revenue Forecast

(Unit: billion yen)



* Figures in parentheses in the chart above are annual averages for the period after the revenue forecast change (November 2026 – March 2028).

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

Progress of Major Management Targets

	FY2026 Results	FY2027 Forecast	Before restart of Tomari NPS Unit 3	FY2031	FY2036
Electricity sales (retail)	22.1 TWh	About 21.8 TWh	29 TWh +		33 TWH +
Reduction in GHG emissions	-11 %*1	About - 11%	Compared to FY2014: - 46%		Compared to FY2014: - 60%
Ordinary Income	61.3 billion yen	approx. 30.0 billion yen	≥ 40.0 billion yen	≥ 70.0 billion *2	≥ 90.0 billion yen *2
ROIC (WACC)	2.8 %	approx. 1.6 %	≥ 3.0% (approx. 2.2%)		≥ 3.5% (approx. 2.4%)
ROE	10.4 %	approx. 4.8 %	≥ 8%		
Capital ratio	18.5 %	approx. 17 %	≥ 20%		≥ 25% (future goal: 30%)
Debt-to-EBITDA ratio	10.3 x	approx. 13.8 x	approx. 11		≤ 8 x
Dividends (annual) Dividend on Equity (DOE)	32 yen/share (1.8%)	33 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.)		

*1:Preliminary figures *2: Taking into account the reduction in electricity charges that will come into effect with the restart of Tomari NPS

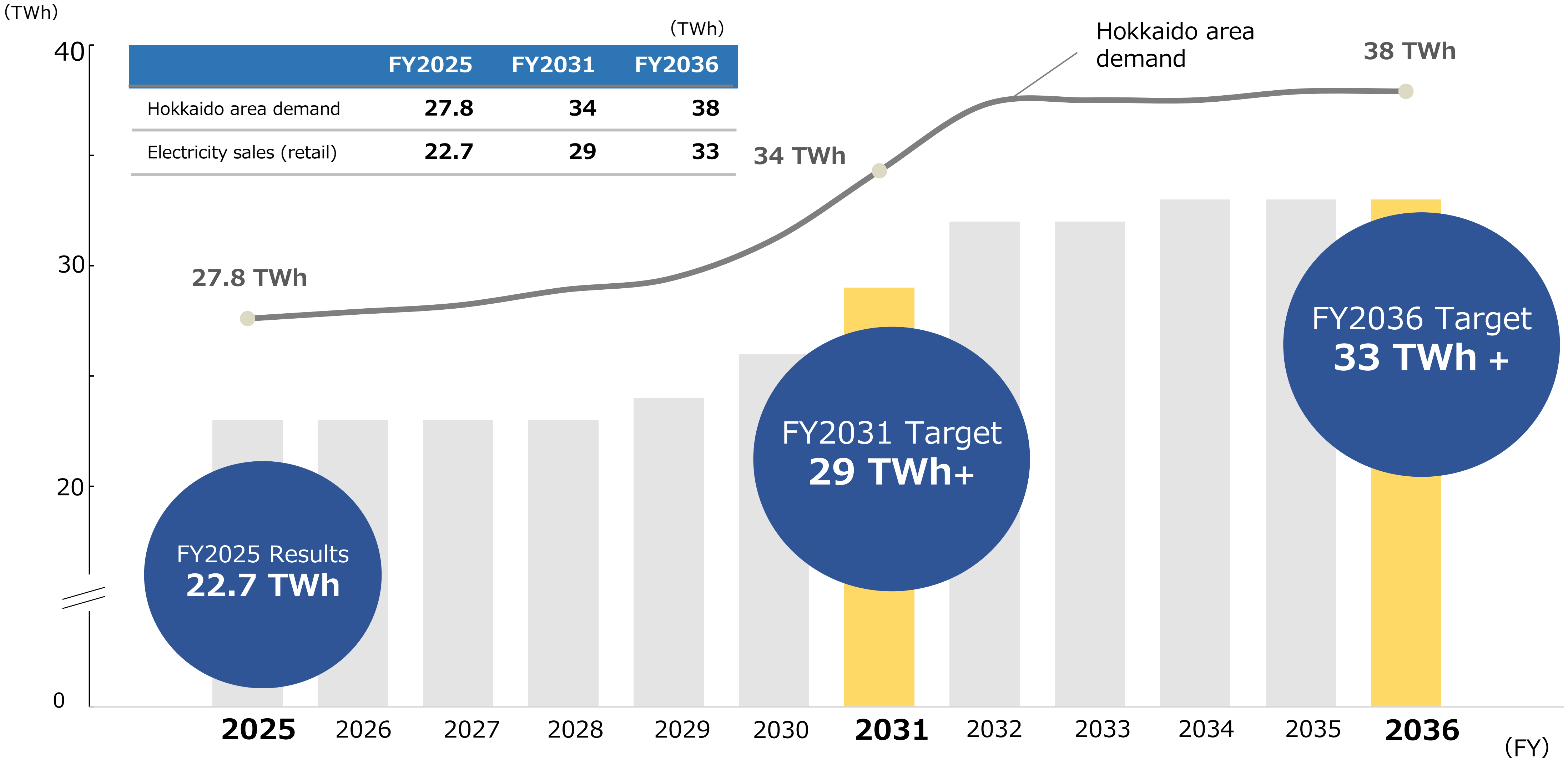
Reference Materials

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

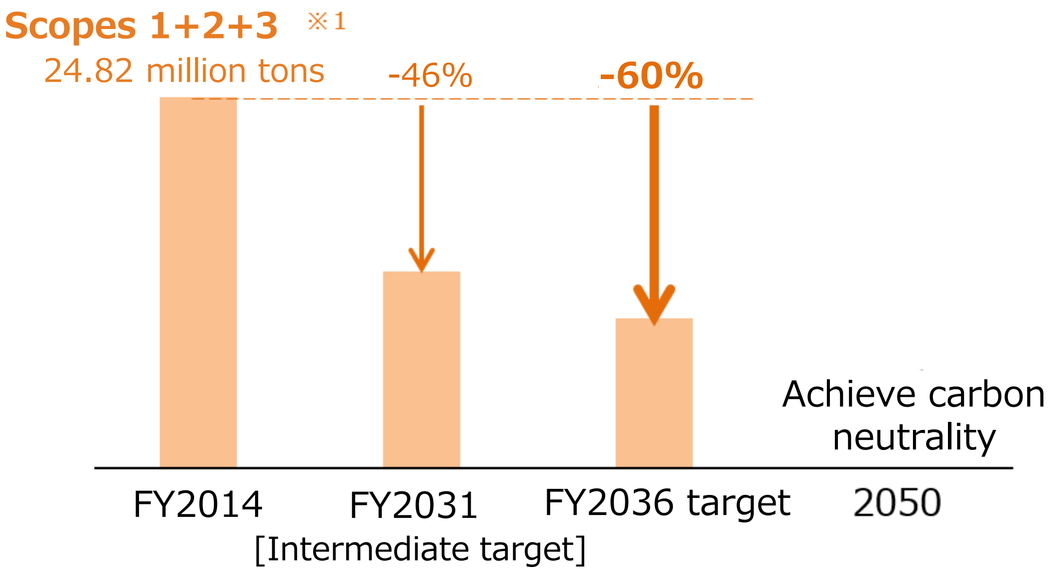
HEPCO Group will do our utmost as we take on the challenge of achieving carbon neutrality across all energies in Hokkaido by the year 2050.

Environmental Targets

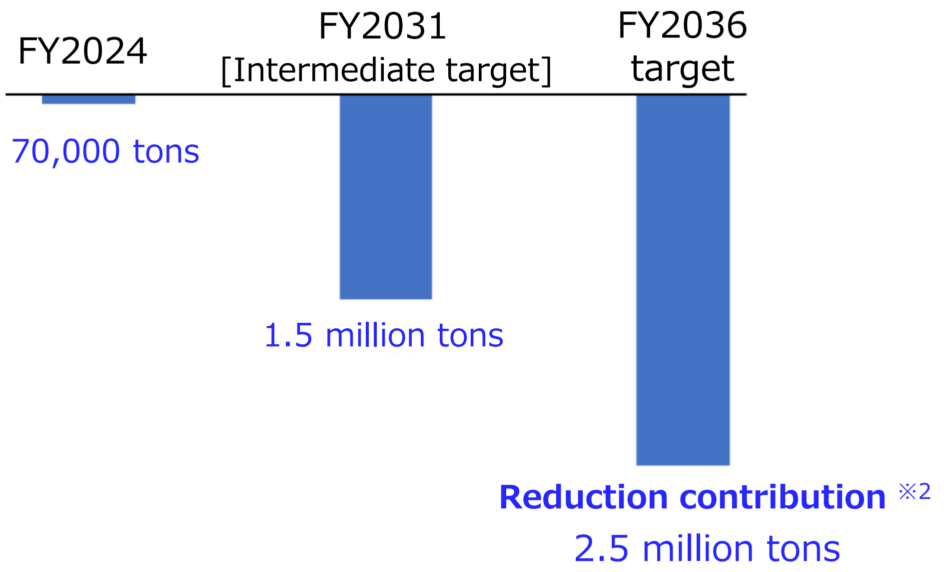
We will rise to the challenge of achieving a 46% reduction compared to FY2014 levels in supply chain emissions (Scopes 1+2+3) throughout the HEPCO Group by FY2031 and 60% by FY2036.

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)

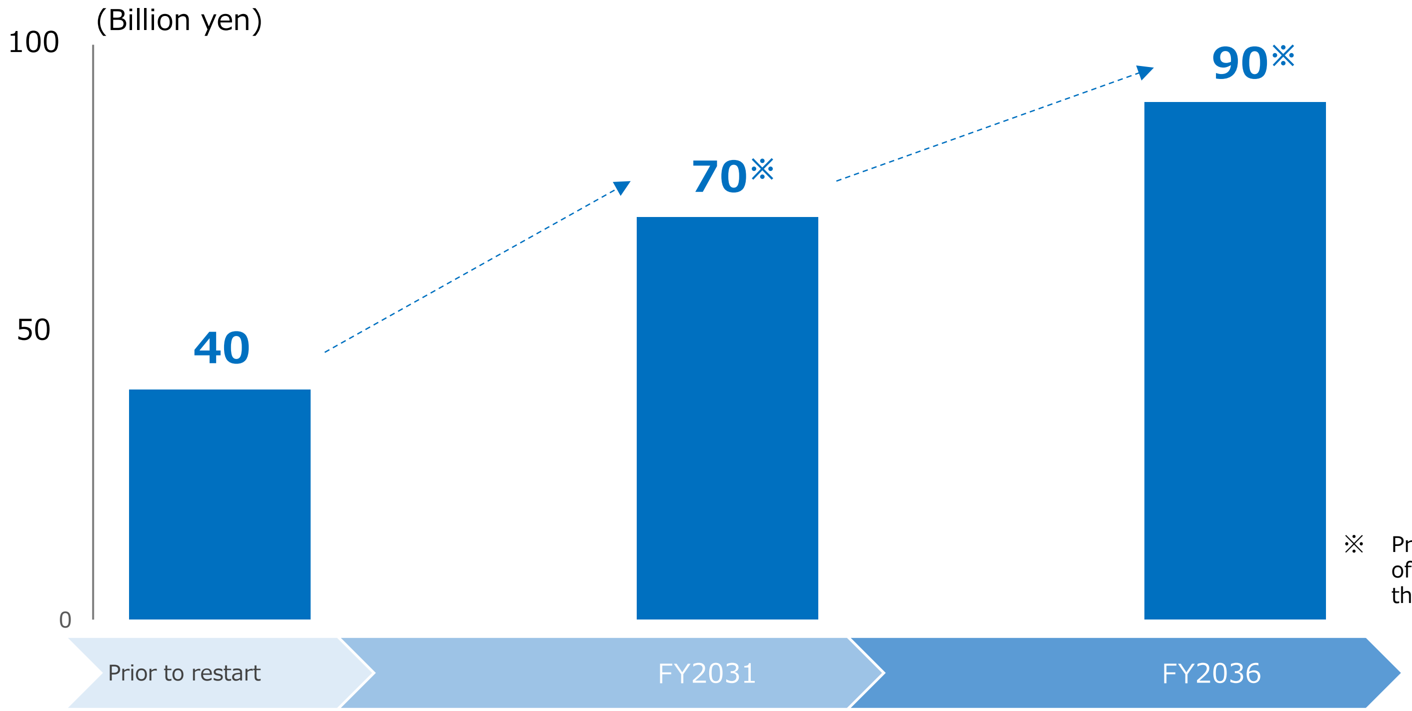
※2: The difference in greenhouse gas emissions between conventional products and services (baseline) and new products and services, quantifying the contribution to mitigating climate change (impact) across society with products and services.

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

	Prior to restart	FY2031	FY2036
ROIC		3.0% +	3.5% +
ROE		8.0% +	8.0% +

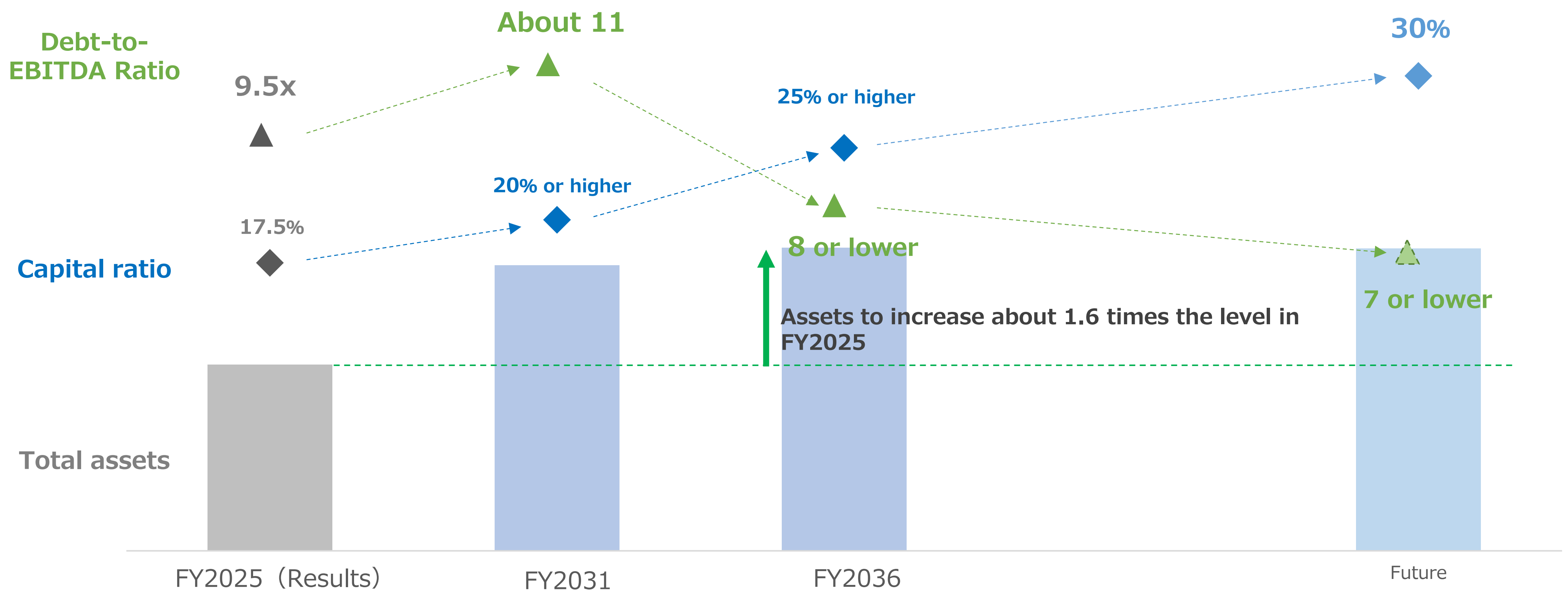
Capital Ratio & Debt-to-EBITDA Ratio

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

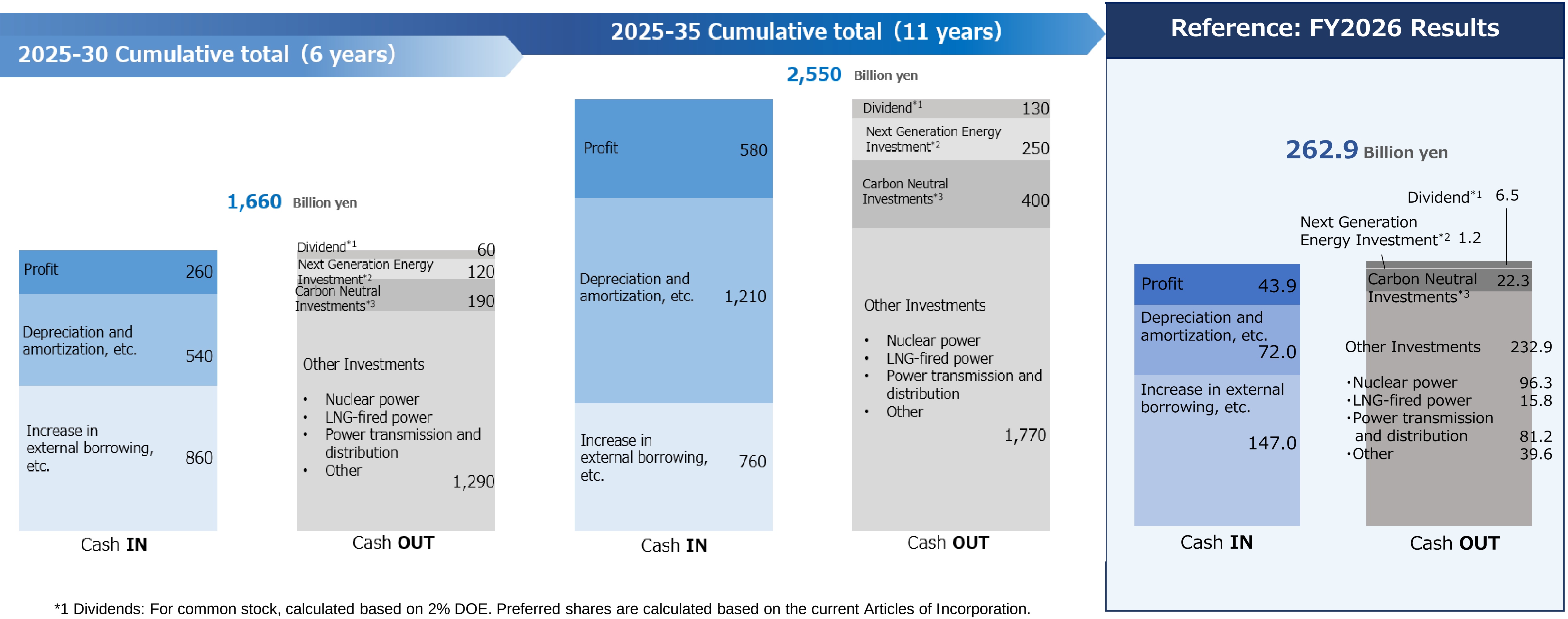
- In our previous vision, we stated: "We aim to return more profits to shareholders to meet their expectations while endeavoring to restore equity capital."

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.

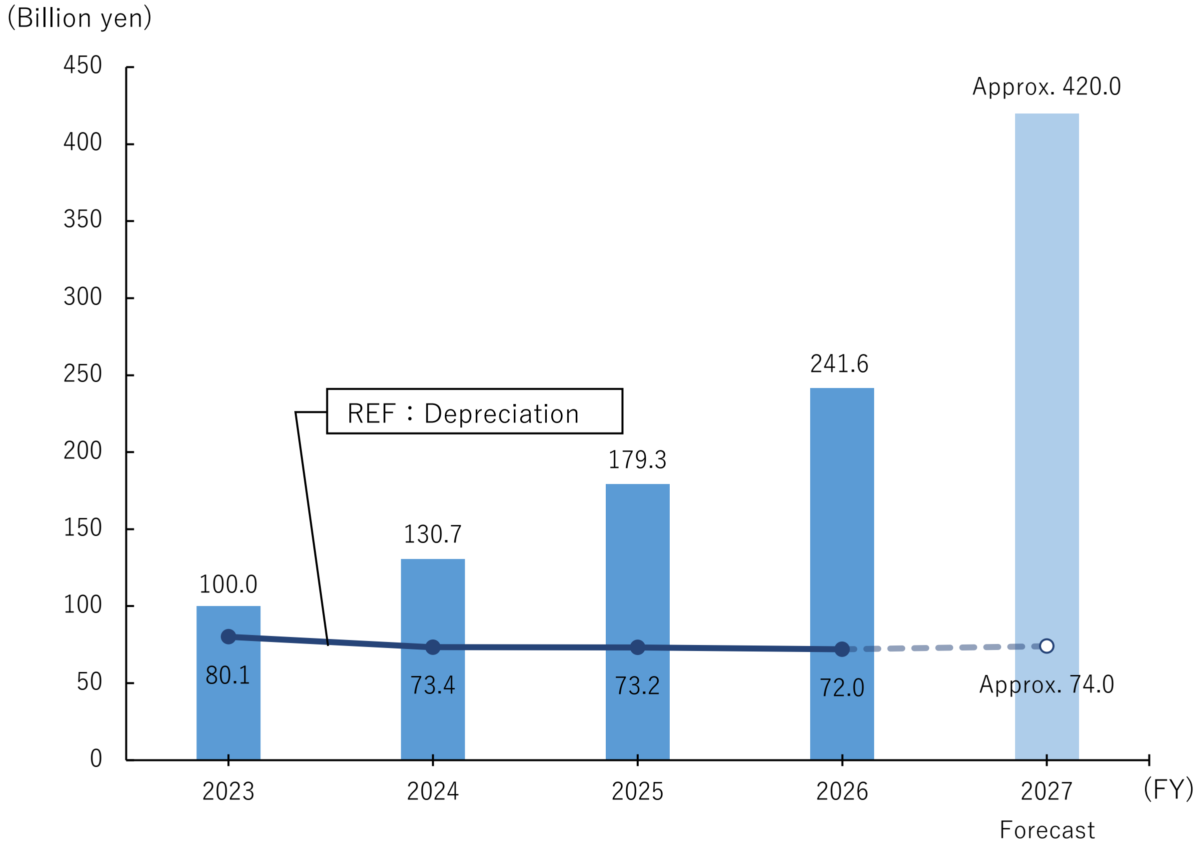
(REF) Capital Allocation



*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

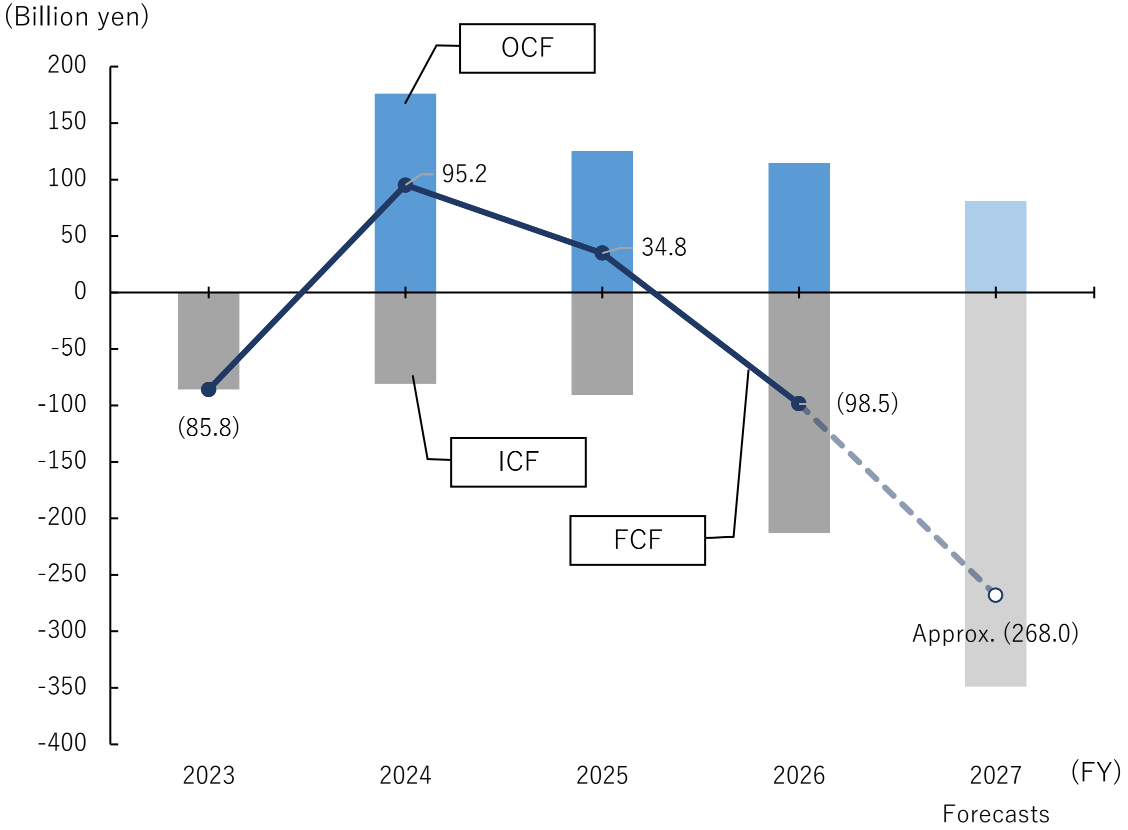
Capital Investment



(Unit: Billion yen)

		FY2023	FY2024	FY2025	FY2026	FY2027 Forecasts
Capital investment amount	HD	50.7	70.7	101.2	151.0	Approx. 300.0
	NW	40.9	46.2	66.8	82.2	100.0 level
	Other	8.3	13.7	11.2	8.3	Approx. 20.0
	Total	100.0	130.7	179.3	241.6	Approx. 420.0

Consolidated Cash Flow



(Unit: Billion yen)

	FY2023	FY2024	FY2025	FY2026	FY2027 Forecasts
OCF	(0.5)	176.1	125.5	114.5	Approx. 81.0
ICF	(85.2)	(80.8)	(90.7)	(213.0)	Approx.(349.0)
FCF	(85.8)	95.2	34.8	(98.5)	Approx.(268.0)

Actual Demand for the Hokkaido Area

(GWh)

	1Q	2Q	3Q	4Q	FY2026	1Q	2Q	3Q	4Q	FY2027
Low voltage	2,734	2,683	2,853	4,014	12,284	**2,665**				
High-voltage and extra high-voltage	3,582	4,015	4,033	4,319	15,949	**3,588**				
Total	6,316	6,698	6,886	8,333	28,233	**6,253**				

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

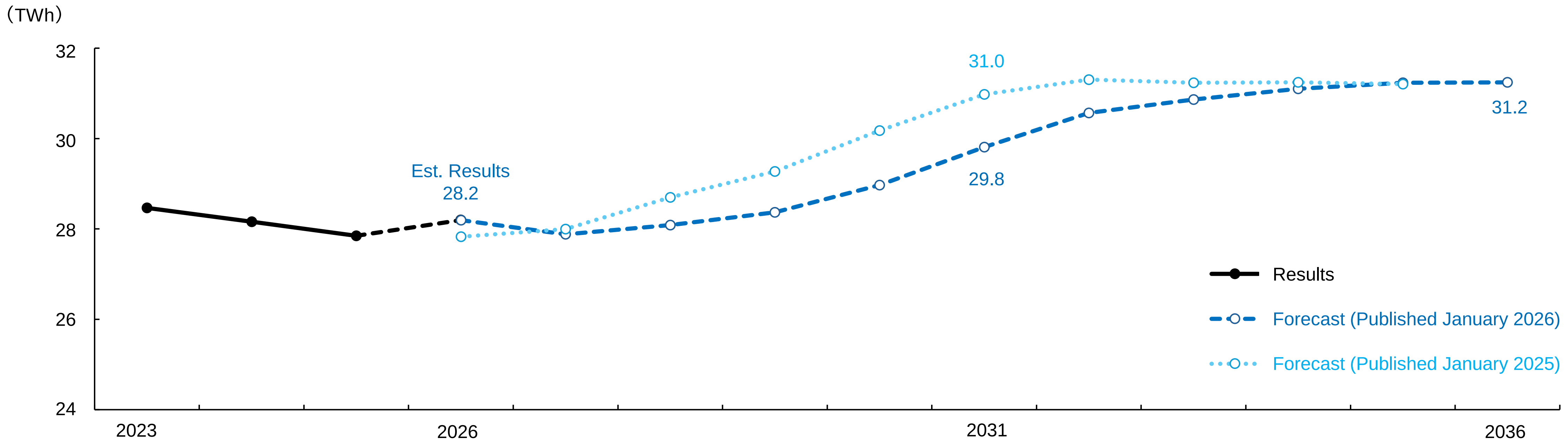
Reference: Last 10 years

(GWh)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Low voltage	13,618	13,474	12,984	12,886	13,065	12,928	12,567	12,336	12,153	12,284
High-voltage and extra high-voltage	16,174	16,118	16,057	16,433	15,496	15,721	15,898	15,822	15,695	15,949
Total	29,792	29,592	29,041	29,319	28,561	28,649	28,465	28,158	27,848	28,233

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

Retail Electricity Sales in the Hokkaido Area

Quarter Results

(Unit: GWh)

					FY2026					FY2027
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Low voltage	2,106	1,967	2,177	3,180	9,430	**1,999**				
High-voltage and extra high-voltage	2,859	3,187	3,185	3,397	12,628	**2,824**				
Total	4,965	5,154	5,362	6,577	22,058	**4,823**				

Fiscal Year Results

(Unit: GWh)

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Low voltage	10,815	10,345	9,962	9,851	9,569	9,430
High-voltage and extra high-voltage	11,791	11,734	13,413	13,620	13,160	12,628
Total	22,606	22,079	23,375	23,471	22,729	22,058

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

Quarter Results

	1Q	2Q	3Q	4Q	FY2026	1Q	2Q	3Q	4Q	FY2027
Low voltage	77.3%	73.4%	76.2%	79.5%	76.9%	**74.9%**				
High-voltage and extra high-voltage	80.4%	79.2%	79.3%	78.8%	79.4%	**79.6%**				
Total	79.0%	76.9%	78.0%	79.1%	78.3%	**77.6%**				

Fiscal Year Results

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Low voltage	83.1%	80.3%	79.4%	80.0%	79.0%	76.9%
High-voltage and extra high-voltage	76.8%	74.6%	86.6%	87.4%	84.0%	79.4%
Total	79.7%	77.2%	83.3%	84.1%	81.8%	78.3%

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

Plan to Develop Key Power Sources Moving Forward (HEPCO)

Texts in blue indicate changes after the previous announcement (4Q results as of May 12)

	Power plant	Output (MW)	Date for start of construction	Launch operations/termination date
Under construction	Kyogoku Unit No. 3 (hydraulic pump)	200	September 2001	FY2032*
Under preparation to start construction	Shinko, Ishikari-wan, Unit 2 (LNG thermal)	580	August 2026	March 2031
	Shinko, Ishikari-wan, Unit 3 (LNG thermal)	580	May 2030	March 2034
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

- The start of operation has been changed from FY2037 to FY2032. (Successful bid in the 3rd Long-term Decarbonized Power Source Auction in FY2026)

Successful Bid in Auction for Long-term Decarbonized Power Source

	Power Plant Name	Description	Successful bid capacity*1	Start time for operations
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
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 3（LNG）	LNG only (Promote decarbonization through hydrogen combustion and other measures in the future)	551,217kW	Scheduled for FY2034
Fiscal 2026 Bids (Announced in May 2026)	Tomari Unit 1（Nuclear）	Investment in safety measures for existing nuclear power plants	557,848kW	Scheduled for the early 2030s
	Kyogoku Unit 3 (Hydroelectric)	hydraulic pump	185,889kW	Scheduled for FY2032
	Tomato-Atsuma Unit 4（Coal-fired）	Ammonia 40%*2 [Heat ratio of 40% converted from coal]	132,200kW	Scheduled for FY2033

*1 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.
*2 In the first Long-Term Decarbonized Power Source Auction of FY2023, the bid was awarded based on a 20% ammonia co-firing rate; we won this additional award by increasing that rate from 20% to 40%

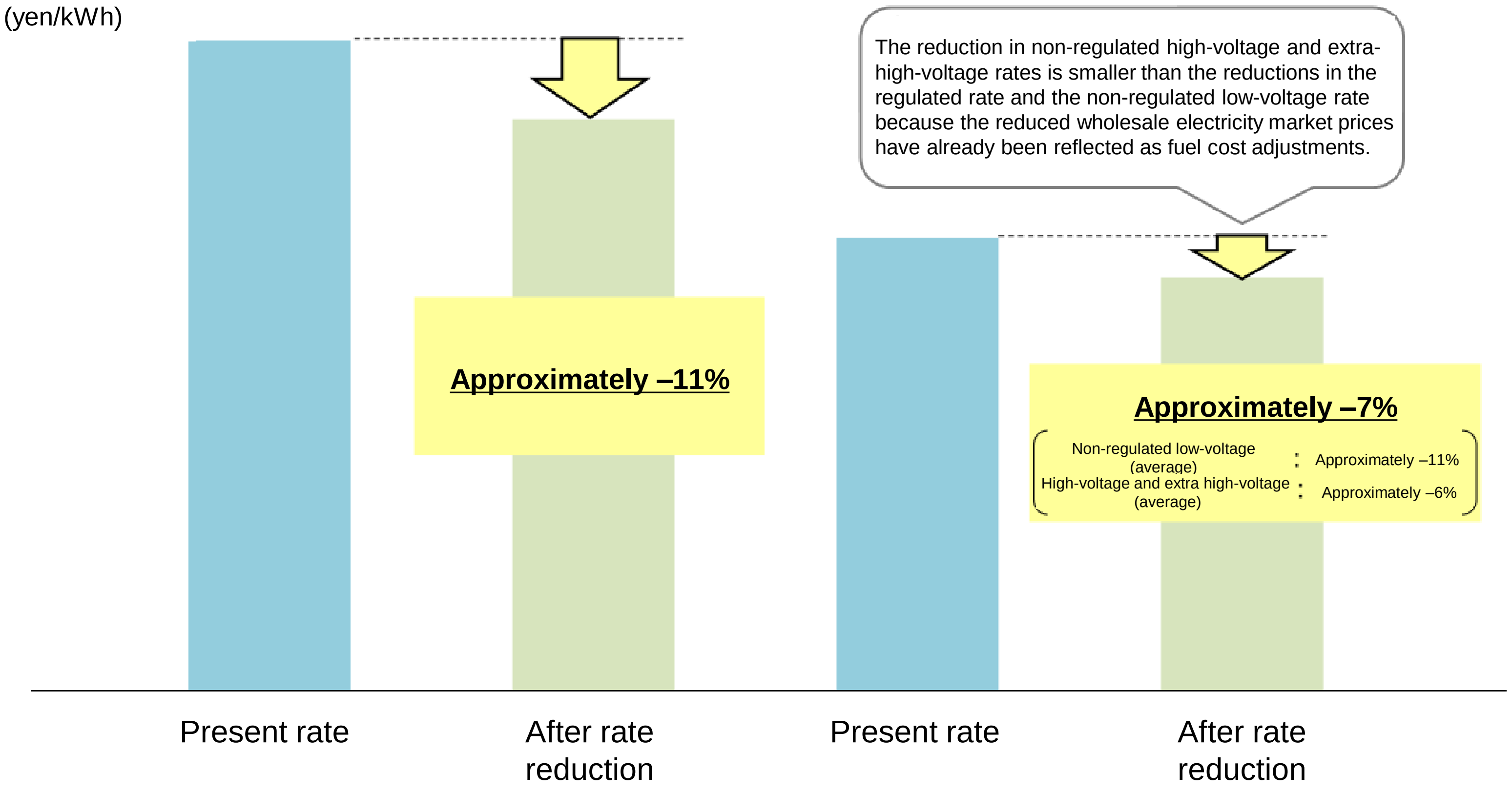
Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari NPS (1)

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.



Materials publicly released as of October 31, 2025

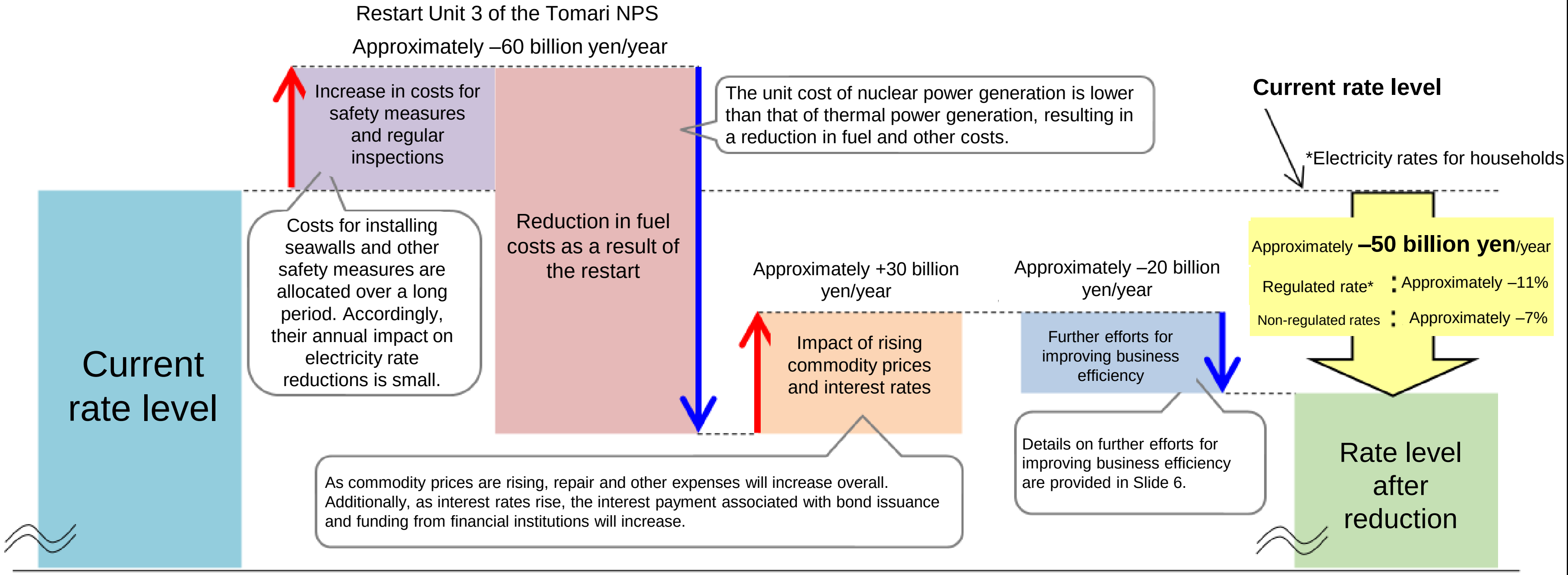
Estimated reduction in electricity rates following the restart of Unit 3 at the Tomari Nuclear Power Plant

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.**



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.

Date	Topic	Related slide
May 13, 2026	Successful Bid for the FY2026 Long-Term Decarbonized Power Source Auction [HD]	p. 48
June 25, 2026	Establishment of the Offshore Wind Power Department [HD]	–
June 25, 2026	Establishment of Donan Offshore Wind Platforms Co., Ltd. — Contributing to the early realization of offshore wind power generation in the Donan Region [HD]	–
June 29, 2026	Public Offering of Hybrid Corporate Bonds (subordinated bonds) [HD]	–
June 30, 2026	The Plan for Building a Large-Scale Low-Carbon Ammonia Supply Chain received certification under the “Price Gap Support System” — Utilizing clean ammonia from India in Japan's power, chemical, and industrial sectors [HD]	–
July 10, 2026	Application for Approval to Change the Revenue Forecast for Wheeling Service [NW]	p. 32 - 33
July 23, 2026	Issuing Terms and Conditions Determined for Public Offering of Hybrid Corporate Bonds (subordinated bonds) [HD]	–

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/