ANNEX - SECOND PARTY OPINION

HOKKAIDO ELECTRIC POWER

GREEN FINANCE

Prepared by: DNV Business Assurance Japan K.K.

Location: Kobe, Japan

Date: 20 August 2025

Ref. Nr.: PRJN-608649-2023-ANX-JPN-02

This report is prepared based on the "Hokkaido Electric Power Green/Transition Finance Framework Second Party Opinion" (Ref. Nr.: PRJN-508476-2023-AST-JPN-01-Rev.2 *Issued on 20 August 2025), which was assessed against to the Hokkaido Electric Power Green/Transition Finance Framework developed by Hokkaido Electric Power.

While this report focuses on the assessment of green characteristics of the projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants, subsequent green/transition finance (bonds or loans) may include projects that have been assessed for eligibility in this report, as well as green/transition projects that have already been assessed for eligibility to be included in the above Framework (e.g., renewable energy) as use of proceeds.

*For more information on the ANNEX - Second Party Opinion, see the DNV website at https://www.dnv.jp/news/page-227965 New evaluation service release (Master SPO+ANNEX).

Executive Summary

DNV Business Assurance Japan K.K. (hereinafter, "DNV") has confirmed that the Green Finance implemented by Hokkaido Electric Power Co., Inc. (hereinafter, "Hokkaido Electric Power"), with projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants carried out by Hokkaido Electric Power as the use of proceeds, meets various principles and guidelines necessary for the implementation of the Green Finance based on the Framework[*1] that has been evaluated for eligibility[*2] in DNV's Second Party Opinion.

In particular, this report additionally evaluated the projects[*3] related to the safety measures necessary for the restart and continuous operation of existing nuclear power plants, which are nominated use of proceeds under the Hokkaido Electric Power Green Finance, as green eligible projects.

Nuclear power plants have been positioned to support the achievement of the NDC by 2040 as a decarbonized power source in Japan and utilization for a long time thereafter, in accordance with the 7th Strategic Energy Plan[*4] announced by the Government of Japan in February 2025 and the GX (Green Transformation) Decarbonization Power Supply Act[*5], which was fully implemented in June 2025.

In response to this, DNV once again conducted a review focusing on the alignment with the guidelines etc. on green finance, references to domestic and foreign precedent cases[*6], and the transition strategy toward carbon neutrality in Japan and the power sector[*7]. See the main text for details.

As a result of the assessment, DNV has concluded that the projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants, which are nominated use of proceeds under the Hokkaido Electric Power Green Finance, are eligible for the use of proceeds under the Green Finance.

*1 Hokkaido Electric Power Green/Transition Finance Framework (August 2025)
*2 Hokkaido Electric Power Green/Transition Finance Framework Second Party Opinion (August 2025 Rev-2)
*3 Hokkaido Electric Power Green/Transition Finance Eligibility Criteria and Project Overview
*4 7th Strategic Energy Plan https://www.enecho.meti.go.jp/en/category/others/basic_plan/
*5 With the implementation of the GX (Green Transformation) Decarbonization Power Supply Act, the Electricity Business Act and the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors have been amended, making it possible for nuclear power plants to operate for more than 60 years.
*6 EU Taxonomy (Section 4.28), examples of green finance with nuclear power generation in Canada, France, Finland and the U.S. as use of proceeds, and examples of transition finance in Japan (Kyushu Electric Power, Hokkaido Electric Power, Kansai Electric Power, Chugoku Electric Power)
*7 Basic Energy Plan, Basic Policy for the Realization of GX, GX 2040 Vision, Transition Roadmap for Power Sector, and other nuclear energy-related guidelines issued by the Government, etc.

Table-1 shows an outline of the ANNEX - Second Party Opinion for the Hokkaido Electric Power Green Finance. The additional items to be assessed in the ANNEX - Second Party Opinion are Principle-1 (Use of Proceeds) and Principle-4 (Reporting) among the four

elements required for green finance with nuclear power generation (projects related to existing nuclear power generation) described later as use of proceeds. As per the conformity of the other two elements required for green finance and the four disclosure elements related to climate transition, the reliance on the Framework has already been confirmed and the eligibility has been confirmed.

Table-1 Hokkaido Electric Power Green Finance
ANNEX - Second Party Opinion

Target finance	**Hokkaido Electric Power Green Finance**	
Target organization	Hokkaido Electric Power Co., Inc.	
Target framework	Hokkaido Electric Power Green/Transition Finance Framework (20 August 2025)	
Targeted external review	Hokkaido Electric Power Green/Transition Finance Framework Second Party Opinion Ref. Nr.: PRJN-508476-2023-AST-JPN-01-Rev.2 Issued on 20 August 2025	
Target criteria	Criteria for Climate Transition Finance - Climate Transition Finance Handbook (ICMA, 2023) - Basic Guidelines on Climate Transition Finance (FSA, METI, and MoE, 2025) Criteria for Green Bonds - Green Bond Principles (ICMA, 2025) - Green Bond Guidelines (MoE, 2024)	
Climate Transition Finance (response to the four disclosure elements)	Disclosure element-1 (Transition strategy and governance) Disclosure element-2 (Environmental materiality) Disclosure element-3 (Science-based strategy) Disclosure element-4 (Implementation transparency)	- Confirmed reliance on the Framework
Bonds and loans with specific use of proceeds (response to the four common elements)	Principle-1 (Use of proceeds)	- Confirmed reliance on the Framework. Additional assessment was implemented for the following nominated use of proceeds: ・ Investment in projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants (restart, improving and maintaining safety of nuclear power plants)
	Principle-2 (Process for project evaluation and selection)	- Confirmed reliance on the Framework
	Principle-3 (Management of proceeds)	- Confirmed reliance on the Framework

	Principle-4 (Reporting)	- Confirmed reliance on the Framework. Additional assessment was implemented as follows: ・ Allocation status of proceeds: Allocated amount, balance and management process of unallocated proceeds, refinanced amount ・ Environmental benefits: Installed capacity (MW) and annual CO_2 emissions reduction (t-CO_2/year) of the nuclear power plant for which the proceeds were allocated, project overview, project progress

As an external reviewer, DNV provided an eligibility assessment of the nominated use of proceeds (projects related to existing nuclear power plants) and reporting for the Hokkaido Electric Power Green Finance to be implemented by Hokkaido Electric Power according to the Framework in the future, based on an assessment of the Framework and other relevant documents and information provided by Hokkaido Electric Power. DNV has also confirmed that there are no significant changes in the other elements (or that they are in accordance with the Framework).

Contents

Revision history

Date of Issue	Main Changes
20 August 2025 This report	Prepared and issued as an ANNEX - Second Party Opinion to the Hokkaido Electric Power Green Finance

Disclaimer

Our assessment relies on the premise that the data and information provided by Issuer to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per Scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct1 during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

[1] DNV Code of Conduct is available from DNV website (www.DNV.com)

I . Scope and Objectives

DNV has been commissioned by Hokkaido Electric Power to conduct a pre-fundraising assessment of the Green Finance to be implemented by Hokkaido Electric Power. The objective of DNV's assessment is to implement an assessment to confirm that Hokkaido Electric Power meets CTFH/CTFBG, which are the criteria for strategies etc. relating to climate transition described below, and GBP/GBGL, which are the criteria green finance, and to provide an ANNEX - Second Party Opinion on the eligibility of the Green Finance.

In particular, this report assesses the eligibility of projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants as nominated use of proceeds of the Green Finance, with reference to internationally recognized and widely used guidelines and domestic and foreign precedent cases, as well as focusing on the alignment with the transition strategy of Japan and the power sector.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this ANNEX - Second Party Opinion for Hokkaido Electric Power.

In this paper, no assurance is provided regarding the financial performance of the Green Finance to be implemented in the future, the value of any investment, or the long-term environmental benefits of the transaction.

(1) Scope of review*

The review assessed the following elements and confirmed their alignment with the four core elements in GBP.

☒	Use of Proceeds	☐	Process for Project Evaluation and Selection
☐	Management of Proceeds	☒	Reporting

The four disclosure elements of CTFH/CTFBG, as well as "Process for Project Evaluation and Selection" and "Management of Proceeds" for GBP/GBGL, have already been reviewed based on the Framework, and DNV has expressed its opinion in the following*1.

When implementing green loans, green loan principles and green loan guidelines are applied, and DNV's assessment of the main elements of green loans is covered in this ANNEX-SPO. DNV already reviewed other elements based on the framework and have stated our opinion in the following.

*1: "Hokkaido Electric Power Green/Transition Finance Framework Second Party Opinion"
Ref. Nr.: PRJN-508476-2023-AST-JPN-01-Rev.2 Issued on 20 August 2025

(2) Role(s) of review provider

☒	Second Party Opinion	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

(3) Standards to be applied

No.	Standards/Guidelines	Scheme Owner
1.	Climate Transition Finance Handbook (CTFH)*1	International Capital Market Association (ICMA), 2023
2.	Basic Guidelines on Climate Transition Finance (CTFBG)*1	Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of the Environment, 2025
3.	Green Bond Principles (GBP)*2*3	International Capital Market Association (ICMA), 2025
4.	Green Bond Guidelines (GBGL)*2*3	Ministry of the Environment, 2024
5.	EU Taxonomy (Section 4.28 Electricity generation from nuclear energy in existing installations)*4	European Commission, 2022 refer*4

*1 The concept of climate transition focuses principally on the credibility of the issuer's (fundraiser's) climate change-related commitments and practices (quoted from CTFH/CTFBG).

In this assessment, it is applied as a guidance when raising funds as a Green Bond with a climate transition strategy.

*2 It confirms compliance with the four core elements (Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting) that must be met when implemented as a bond/loan with specific use of proceeds that meets the four elements of transition (quoted and edited from CTFBG).

*3 The criteria between 3. to 4. are applied as the green bond criteria. To make it simple, GBP/GBGL are indicated as applicable criteria in the main text, and Principle-1 (Use of Proceeds) and Principle-4 (Reporting) are assessed. These are common elements to green loans as well, and can be applicable as the core elements of the assessment when implementing a green loan.

*4 The EU Taxonomy defines three categories (Sections 4.26, 4.27, and 4.28) for economic activities related to nuclear energy. The EU Taxonomy is widely applied/referred to as a recognized European standard and some nuclear power cases are applying/referring to the EU Taxonomy. Paragraph 2.1.6 of the EU Taxonomy states that "locally relevant standards may be applied in countries outside the EU." In this report, the eligibility of the projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants has been assessed by referring to the core requirements of the EU Taxonomy (Section 4.28 Electricity generation from nuclear energy in existing installations) and adapted to the Japanese New Regulatory Requirements (Nuclear Regulation Authority), radioactive waste and other relevant standards, laws, etc.

Ⅱ. Responsibilities of Hokkaido Electric Power and DNV

Hokkaido Electric Power has provided the information and data used by DNV in this review. DNV's ANNEX - Second Party Opinion represents an independent opinion and is intended to inform Hokkaido Electric Power and stakeholders of the Green Finance as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and facts presented to us by Hokkaido Electric Power. DNV is not responsible for any aspect of the nominated projects referred to in this opinion and assumes no responsibility for any inaccuracies in any facts, findings, opinions, or conclusions. Thus, DNV shall not be held liable if any of the information or data provided by Hokkaido Electric Power and used as a basis for this assessment was not accurate or complete.

Ⅲ. Basis of DNV's Opinion

To provide a more flexible ANNEX - Second Party Opinion for the Fundraiser, Hokkaido Electric Power, DNV identified the key assessment targets and carried out assessments in accordance with its protocol.

DNV, as an independent external reviewer, provides ANNEX - Second Party Opinion according to the protocol.

Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principles behind the Green Finance as the basis for the opinion are as follows:

"enable capital-raising and investment for new and existing projects with environmental benefits"

As per our Protocol, the criteria against the Green Finance have been grouped into the following elements.

The additional assessment for this ANNEX - Second Party Opinion covers Principle-1 and Principle-4 of (2) Four common elements of GBP/GBGL.

Part of (1) and (2) (Principle-2 and Principle-3) have already been assessed for eligibility. Detailed results of the eligibility assessment for such parts of (1) and (2) can be found in the "Hokkaido Electric Power Green/Transition Finance Framework Second Party Opinion" (Ref. Nr.: PRJN-508476-2023-AST-JPN-01-Rev.2, issued on 20 August 2025).

(1) Four Common Elements of CTFH/CTFBG (disclosure elements)

Principle One: Issuer's Climate Transition Strategy and Governance

The financing purpose should be for enabling a fundraiser's climate change strategy.

Principle Two: Business model environmental materiality

The planned climate transition trajectory should be relevant to the environmentally-material parts of the fundraiser's business model.

Principle Three: Climate Transition Strategy to be Science-based Including Targets and Pathways

The fundraiser's climate strategy should reference science-based targets and transition pathways.

Principle Four: Implementation Transparency

Market communication in connection with the offer of a financing instrument which has the aim of funding the fundraiser's climate transition strategy should also provide transparency of the underlying investment program.

(2) Four Common Elements of GBP/GBGL

Principle One: Use of Proceeds **Subject to additional assessment of ANNEX - Second Party Opinion*

The Use of Proceeds criteria are guided by the requirement that a fundraiser of green/transition finance and transition-linked finance with use of proceeds must use the proceeds to eligible projects. The eligible projects should produce clear environmental benefits.

Principle Two: Process for Project Evaluation and Selection

The Process for Project Evaluation and Selection criteria are guided by the requirements that a fundraiser of green/transition finance should outline the process it follows when determining eligibility of an investment using green finance proceeds, and outline any impact objectives it will consider.

Principle Three: Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a green/transition finance should be tracked within the fundraising organization, that separate portfolios should be created when necessary and that a declaration of how unallocated proceeds will be handled should be made.

Principle Four: Reporting **Subject to additional assessment of ANNEX - Second Party Opinion*

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors or loan lenders should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Ⅳ. Work Undertaken

Our work constituted a comprehensive review of the available information, based on the understanding that this information was provided to us by Hokkaido Electric Power in good faith. We have not performed an audit or other tests upon pre-fundraising assessment to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

(1) Pre-fundraising assessment (ANNEX - Second Party Opinion)

- Assessment of additional documentary evidence provided by Hokkaido Electric Power on the Green Finance and supplemented assessment by a comprehensive desktop research. These checks refer to current assessment best practices and standard methodologies;
- Discussions with Hokkaido Electric Power, and review of relevant documentation;
- Documentation of findings against each element of the criteria to be additionally assessed.

(2) Post-fundraising assessment (periodic review) (**not included in this report*)

- Interviews with Hokkaido Electric Power managers and review of relevant documentation;
- Field researches and inspections (if required);
- Documentation of post-fundraising assessment results.

V. Findings and DNV's Opinion

DNV's findings and opinion are as described below. The elements common to GBP/GBGL are listed below as GBP/GBGL-1 and GBP/GBGL-4.

In addition, the outline of the projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants that are nominated use of proceeds are shown in Schedule-1.

GBP/GBGL-1. Use of Proceeds

As eligibility criteria for the use of proceeds, Hokkaido Electric Power defines projects that meet the requirements of the transition strategy and its associated frameworks (CTFH/CTFBG) and the elements of GBP/GBGL as green projects. The eligibility criteria for this assessment are "projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants (restart, improving and maintaining safety of nuclear power plants)" as set out in the Framework by Hokkaido Electric Power.

Based on the **"scope"** and **"project category"** of the above-mentioned projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants, this section provides an **"overview description of nominated projects,"** as well as explanations of **"eligibility assessment"** (alignment with relevant domestic and foreign plans, guidelines, etc.) and **"domestic and foreign precedent cases."**

Scope:
<Nuclear power generation>

The scope of the projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants includes Unit 1, 2, and 3 of Tomari Nuclear Power Station owned by Hokkaido Electric Power.

Tomari Nuclear Power Station Units 1, 2, and 3
(Tomari Village, Furuu District, Hokkaido)

Tomari Nuclear Power Station: https://www.hepco.co.jp/energy/atomic/about/index.html (only in Japanese)

Project category:

The projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants that are nominated use of proceeds of the Green Finance are classified as nuclear power generation (Table-1) based on the eligibility criteria categories in the Framework.

The projects related to nuclear power plants fall under the project category of Section 4.28 "Electricity generation from nuclear energy in existing installations" of the EU Taxonomy, which is referred to in the eligibility assessment described below.

Table-1 Project Categories

Eligibility Criteria	Nominate Eligible Projects, Project Category/Overview
Nuclear power generation	**Restart, improving and maintaining safety of nuclear power plants (safety measures necessary for restart and continuous operation of existing nuclear power plants)** (1) Initiatives to improve safety of nuclear power plants to comply with New Regulatory Requirements (2) Initiatives to continuously improve safety by reflecting new knowledge (covering back-fitting)

Outlines of nominated projects:

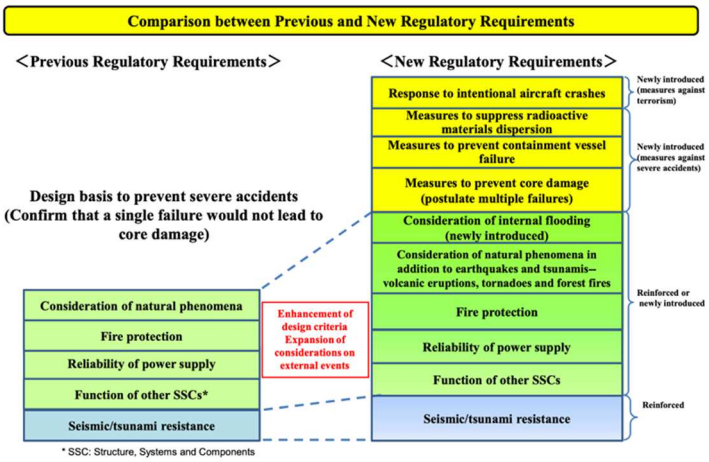
1) Nuclear power generation: Projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants

These projects are initiatives to (1) improve safety of nuclear power plants to comply with the New Regulatory Requirements, and (2) continuously improve safety by reflecting new knowledge. Specifically, this includes work related to the installation of seawalls, fire protection, and earthquake-resistant reinforcement. Each of them is explained below.

(1) Initiatives to improve safety of nuclear power plants to comply with New Regulatory Requirements

- The New Regulatory Requirements are standards under which the Nuclear Regulation Authority determines the eligibility for the construction and operation of nuclear facilities. The New Regulatory Requirements cover the strengthening of measures against natural disasters such as earthquakes, tsunamis, volcanoes,

tornadoes, etc., as well as measures against terrorism and severe accidents. The New Regulatory Requirements include compliance with the latest standards of the existing nuclear facilities, which resolves the problem of the lack of a legal mechanism for retroactive application of new standards to the existing nuclear facilities.



Source: Created by DNV based on the material of Nuclear Regulation Authority

- As shown in the right figure, the New Regulatory Requirements strengthen the existing ones, in addition to the establishment of new measures against terrorism and severe accidents.
- Hokkaido Electric Power is promoting various safety improvement projects such as strengthening earthquake and tsunami resistance and measures against severe accidents, in accordance with the New Regulatory Requirements, and these are nominated use of proceeds of the Green Finance.

New Regulatory Requirements (Nuclear Regulation Authority): https://www.nra.go.jp/english/regulatory/index.html
Maintenance and improvement of the safety of Tomari Nuclear Power Station (Hokkaido Electric Power): https://www.hepco.co.jp/energy/atomic/safety_improve/safety_improve.html (only in Japanese)

(2) Initiatives to continuously improve safety by incorporating new knowledge (covering back-fitting)

- Back-fitting is applied as a new regulation to nuclear facilities that have already been restarted in order to continuously improve safety, and requires adherence within a reasonably established (grace) period.

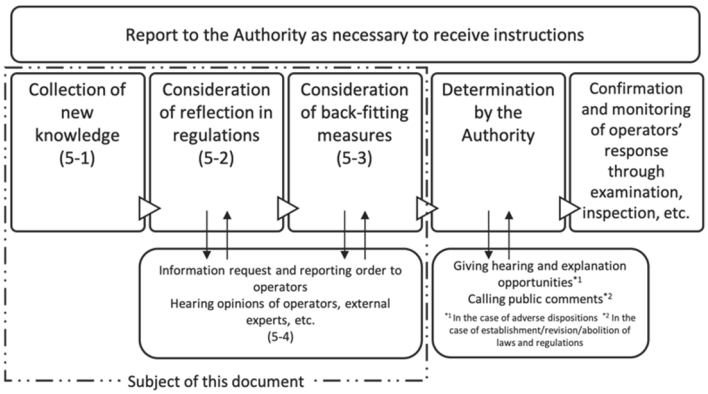


Figure: The Basic Process of Back-fitting

Source: Created by DNV based on the material of Nuclear Regulation Authority

- As shown in the right figure, back-fitting starts with the collection of new knowledge, followed by the selection of target facilities, setting of the application method and transition period, etc., and then the confirmation and monitoring of the response of operators etc. are carried out through examination, inspection, etc.
- The Nuclear Regulation Authority has implemented back-fitting based on several new knowledge (e.g., accident and trouble information, safety research results,

knowledge obtained from review experiences, findings from inspections, foreign information, external findings, public information).

- Hokkaido Electric Power is carrying out necessary analysis and construction work as back-fitting in order to improve safety, and these initiatives are nominated use of proceeds of Green Finance.

Basic concept of back-fitting (Nuclear Regulation Authority): https://www.nra.go.jp/data/000412170.pdf (only in Japanese)
*Examples of back-fitting: https://www.nra.go.jp/disclosure/law_new/RTS/300001586.html (only in Japanese)

DNV has conducted a detailed review of representative initiatives (nominated projects) for each of the project (1) and (2) through an assessment on Hokkaido Electric Power. Through the detailed review, DNV has confirmed that each initiative has projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants as eligible use of proceeds, and has appropriate criteria and processes for evaluating and selecting target projects as Hokkaido Electric Power.

Eligibility assessment (alignment with relevant domestic and foreign plans, guidelines, domestic and foreign precedent cases, etc.):

(1) 6th and 7th Strategic Energy Plan (Agency for Natural Resources and Energy, October 2021 and February 2025)

- In the 6th and 7th Strategic Energy Plan, nuclear power is positioned as an important power source for decarbonization, together with renewable energy, as a part of the initiatives required for the power sector, on the premise that safety assurance is a top priority.
- The share of nuclear power generation in FY2031, which is positioned as Japan’s medium-term goal for achieving carbon neutrality in 2050, is expected to be approximately 20-22% (on a generation amount basis). In addition, the ratio of nuclear power generation in FY2041 in the newly established 7th Strategic Energy Plan is "about 20%," which is the same as the forecast for FY2031, but the amount of electricity generated based on electricity generation has increased by 12-22% (compared to FY2024), so the actual nuclear power generation is expected to increase (Figure-1).

  In FY2024, the actual nuclear power generation accounted for only 8.5% of Japan's total electricity generated, and in order to achieve the FY2031 target, at least 10 or more nuclear power plants will need to be restarted or newly installed in addition to the 14 plants that have already been restarted (estimation as of August 2025). In addition, to achieve the 2040 target, it is estimated that it requires the restart of all of the existing nuclear power plants (14 of 33 have already been restarted).

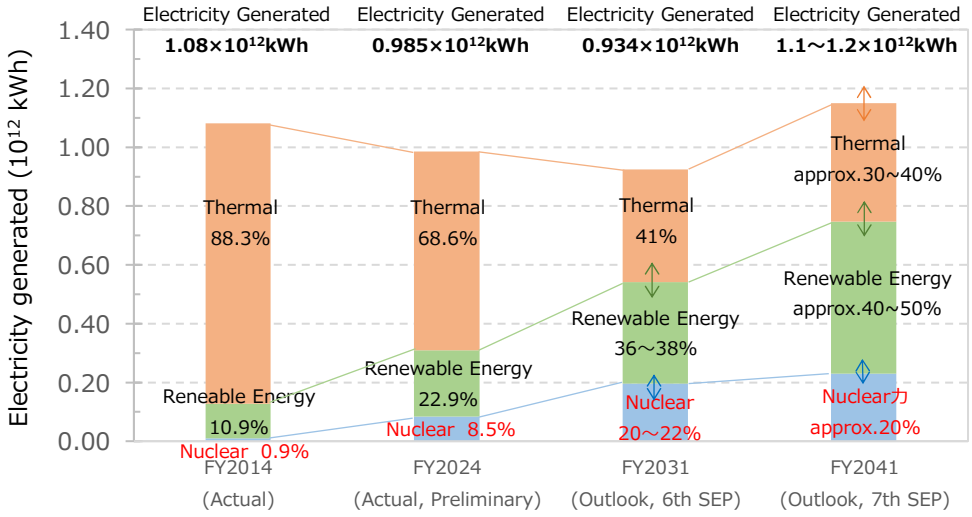
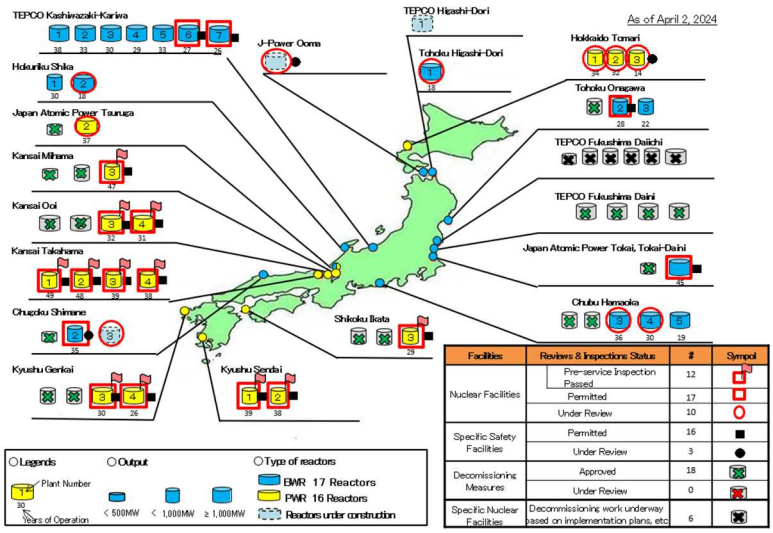


Figure-1 Forecast and results of power generation in the 6th and 7th Strategic Energy Plan (SEP)
(The range of percentages of power generation plots the median value.)
Strategic Energy Plan: https://www.enecho.meti.go.jp/en/category/others/basic_plan/

- At present, the contribution to power generation from the construction and start-up of new nuclear power plants by FY2031 is considered to be limited. Therefore, it is expected to be practically necessary to restart the existing nuclear power plants that comply with the New Regulatory Requirements and whose safety has been verified, as well as continuous operation after restarting.



Source: Created by DNV based on the material of Nuclear Regulation Authority

- The Strategic Energy Plan does not clearly set out specific numerical targets for the nuclear power generation amount and the form or type of nuclear power equipment required (utilization of the existing nuclear power plants (e.g., restart) or innovative technologies such as fast reactors, small modular reactors, high temperature gas-cooled reactors, nuclear fusion, etc.) towards 2050 carbon neutrality. On the other hand, it is stated in the Strategic Energy Plan that maximizing the use of nuclear power generation along with renewable energy is extremely important. As mentioned above, in order to secure nuclear

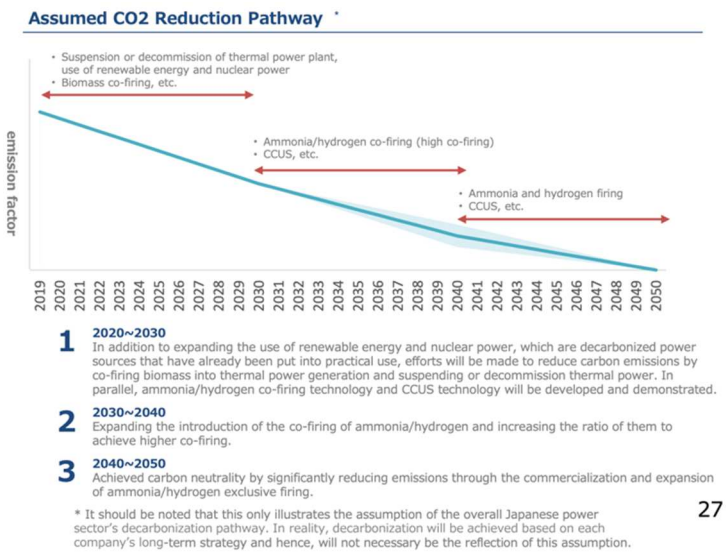
power generation in FY2031 and FY2041 as indicated in the Strategic Energy Plan, it is necessary to restart and maintain continuous operation thereafter of all existing nuclear power plants, including Tomari Nuclear Power Station Units 1 to 3.

- The Strategic Energy Plan states the need for the sustainable use of nuclear power on the basic premise of ensuring safety in order to achieve 2050 carbon neutrality. This can be judged as including the long-term continuous use of the existing nuclear power plants that comply with the New Regulatory Requirements and are restarted with the agreement of the local community etc.

Based on the above, it is judged that the initiatives and measures contributing to the long-term continuous use of the existing nuclear power plants at Tomari Nuclear Power Station Units 1 to 3 (continuous operation after restarting) are consistent with the Strategic Energy Plan and are necessary activities for Japan's carbon neutrality.

(2) Transition Roadmap for Power Sector (February 2022, Agency for Natural Resources and Energy)

- In the Transition Roadmap for Power Sector, it is judged that nuclear power has been positioned as a power source that has already been commercialized and introduced, and is necessary for 2050 carbon neutrality through constant operation.

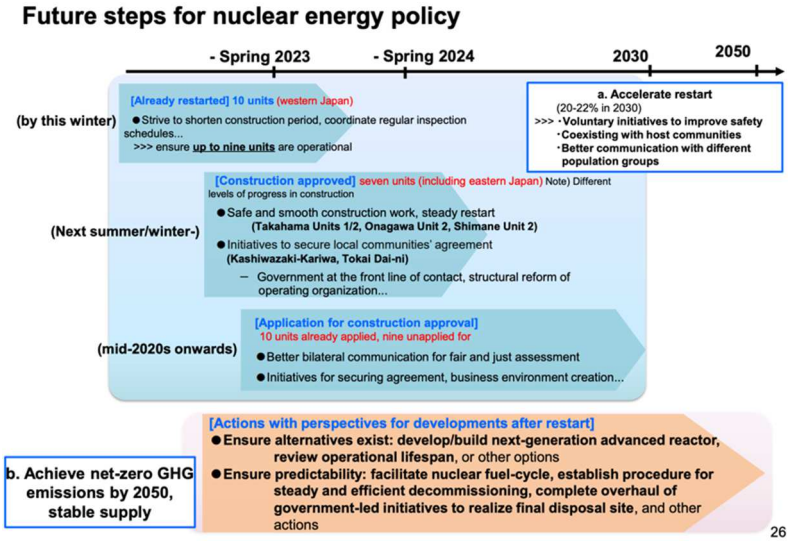


- Nuclear power is to be utilized continuously until 2050, as well as being shown as a decarbonized power source item until 2030 in the CO_2 emissions reduction image, and its use is to be expanded (see the above figure).

Based on the above, it is judged that Tomari Nuclear Power Station Units 1 to 3 were necessary activities for Japan's carbon neutrality, which are aligned with the Transition Roadmap for Power Sector in terms of steady utilization of commercialized and installed nuclear power plants.

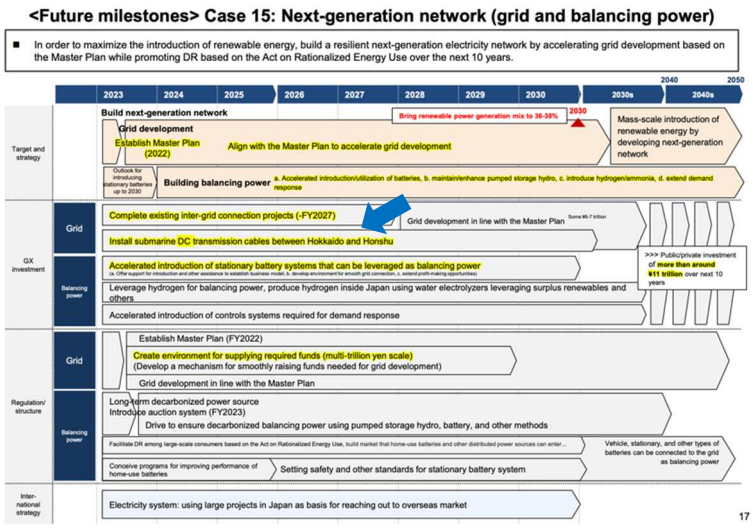
(3) Basic Policy for the Realization of GX (May 2023, Government of Japan)

- The Basic Policy for the Realization of GX mentions "utilization of nuclear energy" as a future measure to be implemented as a part of "decarbonization initiatives towards GX on the basic premise of ensuring a stable energy supply."



This includes acceleration of the restarting of nuclear power plants to ensure the achievement of 20-22% by FY2031 (see the blue box in the above figure), development and construction of next-generation innovative reactors, promotion of the nuclear fuel cycle, etc. towards 2050 carbon neutrality (see the orange box in the above figure).

- Although the Basic Policy for the Realization of GX does not specifically mention the need for restarted the existing nuclear power plants (light water reactors) after 2030, it allows for a 20-year extension of operation under the current system and an additional extension (based on a strict safety review by the Nuclear Regulation Authority and with deduction of any suspension period that fulfils the conditions). Therefore, it can be judged that the use of the existing nuclear power plants is expected beyond FY2031 and FY2041.



(4) GX 2040 Vision (February 2025, GX Implementation Council, Cabinet Secretariat)

- As with the Strategic Energy Plan, it is indicated that joint efforts by the public and private sectors will be made to accelerate the use of nuclear power as a decarbonized power source, especially the restart of existing nuclear power

plants, and to promote the materialization of next-generation innovative reactors (including research and development). In addition, it indicates the need to work on maintaining and strengthening nuclear power supply chains and human resources.

Based on the above, the continuous operation of Tomari Nuclear Power Station Units 1 to 3 is aligned with the Basic Policy for the Realization of GX and the nuclear energy policy related to nuclear energy use in GX 2040 Vision. Therefore, it is judged that it is an essential activity for achieving the FY2031 and FY2041 goals and for Japan's carbon neutrality in 2050.

(5) Reference to EU Taxonomy (Annex I Delegated Regulation, European Commission)

There are no unified national or international standards or guidelines for the eligibility assessment of nuclear power plants as use of proceeds of green finance. On the other hand, in foreign precedents of green finance having nuclear power as use of proceeds (see below), eligibility assessments applying/referring to the EU Taxonomy have been identified.

Table-2 shows the categories (sections) of projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants in the EU Taxonomy. The projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants for which Hokkaido Electric Power uses the proceeds this time corresponds to Section 4.28 "Electricity generation from nuclear energy in existing installations."

DNV judged that the necessary items[*1] for the eligibility assessment of nuclear power in the EU Taxonomy are effective standards and guidelines in terms of achieving a common understanding as an indicator for the assessment of eligible projects related to the safety measures necessary for restart and continuous operation of existing nuclear power plants for a wide range of stakeholders, including operators (fundraisers) and investors.

*1 The EU Taxonomy is a standard/guideline that consists of three major categories: 1. Substantial contribution criteria or technical screening criteria; 2. DNSH (Do No Significant Harm) criteria; and 3. Minimum safeguards.

In addition, as the EU Taxonomy Section 2.1.6 states that "locally relevant standards may be applied in countries outside the EU," DNV conducts an assessment in this report by referring to the major sections of the EU Taxonomy (Section 4.28 Electricity generation from nuclear energy in existing installations) and replacing them with the Japanese New Regulatory Requirements (Nuclear Regulation Authority), radioactive waste, and other relevant standards and legislation.

Table-2 EU Taxonomy
Annex I Delegated Regulation (EU) 2021/2139, 2021/2178
Energy sector, Nuclear energy sections: 4.26, 4.27, 4.28

Section	Overview	Assessment target
4.26	Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	× (N/A)
4.27	Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	
4.28	**Electricity generation from nuclear energy in existing installations**	**✓ (Apply)**

Reference: EU Taxonomy Compass (European Commission): https://ec.europa.eu/sustainable-finance-taxonomy/taxonomy-compass

Table-3 Summary of eligibility assessment results with reference to EU taxonomy
(Section 4.28 Electricity generation from nuclear energy in existing installations)

Item	Major evaluation criteria/item	DNV assessment results
1. Substantial (environmental) contribution criteria (technical screening criteria)		
1.1	- Compliance with nuclear-related laws, regulations, and standards	- DNV has confirmed that Hokkaido Electric Power is in compliance with the Electricity Business Act, the Atomic Energy Basic Act, the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors, among other laws and regulations related to electricity and nuclear energy, and manages Tomari Nuclear Power Station Units 1 to 3 in accordance with the New Regulatory Requirements and relevant regulations.
1.2	- Preparation of decommissioning fund	- DNV has confirmed that Hokkaido Electric Power has formulated a policy for decommissioning measures based on Article 43-3-33 of the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors, disclosed it on the Hokkaido Electric Power website, recorded expenses in accordance with ministerial ordinances etc. regarding provisions for decommissioning nuclear power generation facilities, and is securing the necessary funds for decommission.
1.3	- Planning and implementation of radioactive waste management and final disposal	- DNV has confirmed that Hokkaido Electric Power has been managing radioactive waste in accordance with the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors and relevant radioactive material management-related laws and regulations. With regard to the final disposal of radioactive waste, DNV has also confirmed that the Nuclear Waste Management Organization of Japan (NUMO), the

		Radioactive Waste Management Funding and Research Center (RWMC), etc. are carrying out plans and initiatives on technical issues and funds management in accordance with national laws and regulations. - The latest information on plans for the final disposal of radioactive waste is disclosed on the NUMO website. NUMO Website: https://www.numo.or.jp/en/
1.4	Compliance with New Regulatory Requirements ・Utilization of latest knowledge and technology ・Periodic reporting	- DNV has confirmed that Tomari Nuclear Power Station Units 1 to 3 are under review of compliance with New Regulatory Requirements, and will restart operation after obtaining approval (approval for modification of reactor installation, approval of design and construction plans, and approval of safety regulations) and completing the pre-use verification (inspection). - DNV has confirmed that Hokkaido Electric Power is utilizing the latest knowledge and technology such as the measures required for back-fitting of the New Regulatory Requirements to consider and implement improvements in order to maintain a consistently high level of safety. - Hokkaido Electric Power conducts safety improvement assessments based on the system introduced by the amendment to the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors (2013). Substantially, periodic reporting (plans and progress) is currently carried out. As part of the preparations, a safety improvement plan is being published. After restart, the implementation status of safety activities will be checked and evaluated after periodic inspections, and a plan for further improvement based on the results will be compiled and reported on a regular basis.
1.5	Preparedness for natural disasters, stress tests	- Section 1.5 is included in the response to the New Regulatory Requirements. The New Regulatory Requirements expand the range of natural hazards covered (volcanic eruptions, tornadoes, and forest fires) and add or strengthen the response to terrorism and severe accidents. - Section 1.5 is an important conformity assessment item in the New Regulatory Requirements, and DNV has confirmed that Hokkaido Electric Power has implemented countermeasures against natural disasters, stress tests, etc. in its compliance with the New Regulatory Requirements.

1.6	Climate change mitigation criteria (Life cycle GHG emissions from nuclear power generation are less than 100 g-CO_2/kWh.)	- Individual life cycle GHG emissions for Tomari Nuclear Power Station Units 1 to 3 have not been specifically assessed. - DNV judged that the results of a life cycle calculation of nuclear power generation assessed by the Central Research Institute of Electric Power Industry, which showed GHG emissions of 20 g-CO_2/kWh (including GHG emissions from the pressurized water reactor same as Tomari Nuclear Power Station Units 1 to 3, and use plutonium in thermal reactor), are available as a standard value. DNV considers it possible to judge that the power stations concerned are well below the benchmark value of 100 g-CO_2/kWh. - Note that 20 g-CO_2/kWh includes the total GHG emissions from ancillary activities other than power generation (e.g., reprocessing of spent fuels, use of plutonium in thermal reactor, waste disposal). Source: Comprehensive Life Cycle CO_2 Emissions Assessment of Power Generation Technologies in Japan (Comprehensive Report: Y06, Central Research Institute of Electric Power Industry, July 2016)
2. Do No Significant Harm (DNSH)		
2.1	Environmental impact assessment (or similar assessment) ・Natural disasters/extreme weather ・Biodiversity	- Hokkaido Electric Power issued environmental impact assessment (report) in 1982 and 2000 for the subject Tomari Nuclear Power Station Units 1-2 and Unit 3, respectively. - The environmental impact assessment (report) comprehensively examined the impacts on air quality, water quality, soil, vibration and noise, ground and land, odor, terrestrial and marine life, natural landscape, culture/economy/society, meteorological and marine conditions, etc. as generally required by the DNSH. As a comprehensive evaluation of the environmental impact assessment (report), it has been confirmed that there will be no significant harm.
2.2	Seawater temperature control for condenser cooling	- Hokkaido Electric Power uses seawater for condenser cooling (for cooling and circulating steam turbine exhaust) at Tomari Nuclear Power Station Units 1 to 3. The temperature of seawater rises after being used as cooling water, Hokkaido Electric Power is committed to control the temperature difference between seawater intake (cold water) and discharge (warm water) lower than or equal to 7°C in order to minimize the impact on water quality and living organisms in the surrounding sea area. - Based on data provided by Hokkaido Electric Power, it is confirmed and reported that the temperature difference between intake and discharge is controlled lower than or equal to 7°C, and that the investigation results is collected four times a year as to the impact of warm wastewater and no significant changes have been observed.

		(In addition, since it is currently being shut down, there is no difference in the temperature difference between water intake and discharge, but it is confirmed that there is no difference from the results during past operation and that investigation and monitoring will be conducted based on the above after restarting.) - A summary of the investigation results is published on the website of Hokkaido where Tomari Nuclear Power Station is located.
2.3	Environmental monitoring (Radiation monitoring inside and outside of nuclear sites)	- Hokkaido Electric Power measures and discloses real-time data on the radiation monitors inside and outside the premises of nuclear power plants on the Hokkaido Electric Power website, and no major fluctuations or deviations from target values have been observed (measurement at exhaust stacks and at various locations inside and outside the premises).
2.4	Radioactive waste management	(Same as section 1.3)
3. Minimum safeguards		
3.1	Human rights protection, compliance with DNSH (just transition) as a sustainable investment	- Hokkaido Electric Power has established the HEPCO Group Human Rights Policy, which is committed to ensuring for the human rights of all stakeholders in its business activities. - With regard to initiatives specific to nuclear energy business, Hokkaido Electric Power is making efforts to build understanding and trust in the operation of nuclear power plants through dialogue and information sharing with surrounding municipalities, various transparent activities and their distribution (information disclosure), etc. (e.g., nuclear power communication activities) - Compliance with DNSH (just transition) as a sustainable investment is described in Section 2 from an environmental technical perspective, and just transition is not considered a critical issue at present. DNV has confirmed that any negative impacts on the SDGs considered in the future would be appropriately managed and be disclosed as necessary, based on the Hokkaido Electric Power Green/Transition Finance Framework.

(6) Domestic and foreign precedent cases (reference information):

Since 2021,fundraisers in Canada, France, Finland, and the U.S. have been developing frameworks and implementing green finance, in which projects related to the safety measures necessary for restart or continuous operation of existing nuclear power plants are nominated use of proceeds (allocation target as the use of proceeds). Examples can also be observed internationally, such as the issuance by the Canadian government with nuclear power-related technology, installation, and supply chain investment as use of

proceeds, and the addition of nuclear power generation by the French government to its green bond framework.

In Japan, transition finances with nuclear power as use of proceeds have been implemented by Kyushu Electric Power, Kansai Electric Power, Hokkaido Electric Power, and Chugoku Electric Power since 2024. The Climate Transition Bond Framework updated by the Government of Japan in 2025 also includes nuclear power utilization, including support for restart of nuclear power, as nominated projects as use of proceeds.

Eligibility Assessment Results (Summary)

DNV has previously judged that domestic nuclear power generation (activities for continuous operation of existing nuclear power plants (light water reactors)), which is a nominated use of proceeds for Hokkaido Electric Power, has green characteristics from the aspect of technical point of view. On the other hand, the previous information (as of the 2024 assessment) classified and evaluated nuclear power generation as a transition project[*1], mainly due to the use of nuclear power generation at the time of carbon neutrality by 2050 is unclear from a quantitative and qualitative perspectives in various policies, including the Strategic Energy Plan, and in particular, the 6th Strategic Energy Plan stated that "dependence on nuclear power plants (nuclear power generation) will be reduced as much as possible."

Nuclear power plants have been organized expecting the achievement of the NDC by 2040 as a decarbonized power source in Japan and utilization for a long time thereafter, in accordance with the 7th Strategic Energy Plan announced in February 2025 and the GX (Green Transformation) Decarbonization Power Supply Act, which was fully implemented in June 2025. In response to this, DNV once again conducted a review in this assessment, focusing on the information below, the guidelines on green finance, and references to domestic and foreign precedent cases.

- Strategic Energy Plan (nuclear power utilization plan for FY2031 in the 6th Strategic Energy Plan and nuclear power utilization plan for FY2041 in the latest 7th Strategic Energy Plan)
- Comprehensive implementation of the GX (Green Transformation) Decarbonization Power Supply Act, Transition Roadmap for Power Sector, and various latest information on national guidelines and systems related to nuclear power generation in Japan's energy sector
- Qualitative and quantitative considerations on the restart of nuclear power generation in Japan and new construction plans (the need for continuous use of existing nuclear power plants and new construction from a medium- to long-term perspective)
- Examples of using domestic and international cases where nuclear power generation was utilized as use of proceeds for ESG finance
- Information obtained from Hokkaido Electric Power

Based on the above, DNV has carefully reviewed and evaluated as an external reviewer the eligibility of nuclear power generation as a green project, and has finally concluded that the initiatives toward restart of nuclear power generation in Japan and continuous use thereafter, including Hokkaido Electric Power's nuclear power generation, which is a nominated use of proceeds for this time, is eligible as a green project[*2] that is consistent with the policy perspective, as well as technical perspective, as nuclear power is a power source indispensable for achieving the goals for FY2031 and FY2041, including at the time of 2050 carbon neutrality, and is highly probable to be utilized as a decarbonized power source continuously after 2050.

In addition, with regard to the restart, continuous use thereafter, and new construction, Hokkaido Electric Power is expected to work transparently as an electric utility in

cooperation with the national government and the power sector, as there are various related initiatives such as compliance with the New Regulatory Requirements, continuous safety assurance, dialogue and agreement with local residents, radioactive waste management, etc.

*1 DNV ANNEX - Second Party Opinion (Kyushu Electric Power, Hokkaido Electric Power)
For Kyushu Electric Power:
https://www.kyuden.co.jp/var/rev0/0527/9741/r7cfk8hm.pdf (only in Japanese)
For Hokkaido Electric Power:
https://www.hepco.co.jp/corporate/ir/ir_lib/finance/pdf/second_party_opinion_annex_202409.pdf (only in Japanese)

*2 The eligibility assessment of nuclear power generation as a green project is based on the latest trends (utilization plans and operating performance) and forecast data available at the moment. Therefore, if the prerequisites for the use of nuclear power generation are changed at the power company, the entire power industry, or at the national level, or if the evaluation guidelines for nuclear power generation become clear in guidelines related to green/transition finance etc., the future assessment may be re-examined. However, the green eligibility assessment of the said project in green finance to be executed this time shall be maintained during the financing period.

GBP/GBGL-4.Reporting

DNV has confirmed that, until the full amount of the Green Finance proceeds is allocated, Hokkaido Electric Power intends to disclose the following information set out in the Framework by Hokkaido Electric Power on the allocation status of proceeds and the environmental benefits, as well as project overview, in the Integrated Report or on Hokkaido Electric Power website on an annual basis, within the limits of confidentiality obligations and as far as reasonably practicable.

<Allocation Status>

- Amount of allocated funds
- Balance of unallocated funds
- Approximate amount (or percentage) of proceeds allocated for refinancing

  Any material changes in the allocation status of proceeds during the financing period will be disclosed.

<Environmental Benefits>

- Installed capacity of the nuclear power plant concerned (MW)
- Annual CO_2 emissions reduction of the nuclear power plant concerned (t-CO_2/y)

  In addition to cases where the proceeds are allocated to construction that directly contributes to environmental benefits, such as nuclear power generation facilities, the proceeds may also be allocated to indirect construction such as safety measures.

  Therefore, the environmental benefits are expected to be reported for the whole nuclear power plants, which are subject to allocation (installed capacity and annual CO_2 emissions reduction). In addition to the above, progress status identifying projects subject to allocation (e.g., individual construction works) will be reported, when possible.

Table-4 Impact reporting
(Extracted and edited from DNV's Second Party Opinion)

Eligibility Criteria	Example of Impact Reporting
Renewable energy	・Installed capacity by renewable energy type (MW) ・Annual CO_2 emissions reduction by renewable energy type (t-CO_2/year)
Other power generation-related projects *Eligibility criteria for nuclear power plants	**・Project overview** **・Installed capacity by type or individual (MW)** **・Annual CO_2 emissions reduction by type or individual (t-CO_2/year)**
Business other than power generation	・Project overview ・Annual CO_2 emissions reduction (t-CO_2/year) *If calculation is possible

Ⅵ. Assessment Conclusion

On the basis of the information provided by Hokkaido Electric Power and the work undertaken, it is DNV's opinion that the safety measures necessary for restart and continuous operation of existing nuclear power plants evaluated this time with respect to the Hokkaido Electric Power Green Finance has green characteristics as nuclear power generation projects. In addition, they meet the criteria established in the Eligibility Assessment Protocol for the assessed Framework and are aligned with the following stated definition or purpose of green finance using CTFH/CTFBG as reference and GBP/GBGL as major criteria for opinion statement:

- "enable capital-raising and investment for new and existing projects with environmental benefits"

DNV Business Assurance Japan K.K.

20 August 2025

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Schedule-1 Project Categories (Eligibility Criteria)

The projects listed in the table below are eligible project categories that have already been assessed for eligibility at the time of the ANNEX assessment (August 2025). In subsequent sustainable finance (green or transition finance) implemented in accordance with the Hokkaido Electric Power Green/Transition Finance Framework, each project assessed as project categories related to the safety measures of existing nuclear power plants that are classified as eligibility criteria and nominated eligible projects under the framework stated in Schedule-1 will be selected, in addition to the projects already stated in the Framework. From the perspective of ensuring transparency, the selected projects will be reported, to the extent practicable, per each selected project or eligible project category (eligibility criteria) in the disclosure documents or contractual documents prior to the finance implementation, or in post-implementation reporting. If additional projects or project categories related to the safety measures of existing nuclear power plants will be included in addition to those listed in the table below, their eligibility will be assessed by Hokkaido Electric Power based on the above framework and ANNEX and, if necessary, will be assessed by DNV in a timely manner.

Eligibility Criteria	Nominated Eligible Project	Project Category/Overview (subject to ANNEX assessment)
Nuclear power plant	**Restart, improving and maintaining safety of nuclear power plants**	**(1) Initiatives to improve safety of nuclear power plants to comply with New Regulatory Requirements** - Based on the New Regulatory Requirements, Hokkaido Electric Power is carrying out various safety improvement works to strengthen earthquake and tsunami resistance and prevent severe accidents. **(2) Initiatives to continuously improve safety by reflecting new knowledge (covering back-fitting)** - In order to further improve safety based on the newly acquired knowledge, Hokkaido Electric Power is conducting analysis and reinforcement work necessary to strengthen earthquake resistance.  Tomari Nuclear Power Station Units 1, 2, and 3 (from left to right) (Tomari Village, Furuu District, Hokkaido) Tomari Nuclear Power Station: https://www.hepco.co.jp/energy/atomic/about/index.html (only in Japanese)