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New Energy Supply Chain Initiative Originating in the Tomakomai Area of Hokkaido –Toward Achieving Carbon Neutrality in Hokkaido and the Company’s Sustainable Growth–

After having announced the “HEPCO Group Management Vision 2035” in March 2025, Hokkaido Electric Power Company, Incorporated (the “Company”) has been working toward achieving carbon neutrality in Hokkaido and ensuring the Company’s sustainable growth.

The Company hereby announces that as an initiative based on this Vision, it has established a new energy supply chain initiative originating in the Tomakomai area of Hokkaido with the aim of achieving carbon neutrality in Hokkaido and the Company’s sustainable growth.

Hokkaido is a snowy, cold region, and its cities are scattered across a vast area. Because of these regional characteristics, the share of oil and coal in final energy consumption is high (approximately 62% of final energy consumption in Hokkaido (preliminary results for FY2023)). The market size of oil and coal is approximately 800.0 billion yen, indicating significant potential for an energy transition toward low-carbon and decarbonization.

Within this, in household energy consumption (per household), total energy consumption is approximately 1.7 times higher than the national average, and consumption of kerosene is approximately 5.8 times higher.

In addition, the development of next-generation semiconductor plants and large-scale data centers is progressing in Hokkaido. As a result, energy demand within Hokkaido is expected to increase significantly in the future.

The Company will advance initiatives to steadily capture these business opportunities, including the low-carbon and decarbonization (energy transition) of oil and coal and the increase in energy demand. Looking ahead, the Company aims to build a new energy supply chain originating in the Tomakomai area, where industries are concentrated, and to provide diverse decarbonization solutions.

Specifically, the Company will promote electrification while steadily advancing the restart of the Tomari Nuclear Power Station and expanding the introduction of renewable energy such as offshore wind power and taking into account trends in the energy situation. In the near term, the Company will steadily advance efforts on “(i) full-scale entry into the gas business” and will also proceed with consideration toward the future realization of “(ii) installation of the next LNG power source and development of an LNG terminal” and “(iii) carbon neutralization through next-

generation energy.”

The Company will advance these initiatives to contribute to achieving carbon neutrality in Hokkaido in 2050 and to support the Company’s sustainable growth.

[Overview of Initiatives] (Please refer to the attached materials for details.)

<(i) Full-scale entry into the gas business>

(Establishing two bases, Tomakomai and Ishikari, and building a supply system across all of Hokkaido)

- The Company anticipates that gas demand in Hokkaido will further increase due to the energy transition and growth in energy demand going forward. Building on the gas retail business that it has pursued to date, the Company will expand its business scope and enter the gas business on a full-scale basis.
- To achieve full-scale entry, the Company will steadily proceed with steps such as the acquisition from Japan Petroleum Exploration Co., Ltd. of its gas production business, sales business, and pipeline business*¹ and will work to establish an integrated gas business supply chain from production to sales.
- In addition, the Company will collaborate with the Ishikari LNG terminal (establishing two bases in Tomakomai and Ishikari) and build a supply system using tank lorries and coastal vessels in order to supply gas across all of Hokkaido, not limited to the Tomakomai and Sapporo areas, and expand gas demand.

(Initiatives to expand gas demand)

- To expand gas demand, the Company will seek to reduce costs from current levels and improve price competitiveness by producing city gas in-house and by procuring LNG in an integrated manner together with LNG for power generation used at the Ishikariwan Shinko Power Station.
- Based on this, the Company will develop new pricing plans and services that combine electricity and gas so that not only residential customers but also commercial and industrial customers, as well as customers with large-scale heat demand created by the concentration of digital industries, will choose the Company.
- In addition, leveraging customer touchpoints established through its electricity retail business, the Company will strongly promote fuel switching from oil and coal to gas across all of Hokkaido and will advance the development and expansion of new gas demand.
- Looking ahead, through the installation of a new LNG power source and development of an LNG terminal in the Tomakomai area (Initiative (ii)), the Company aims to reduce LNG procurement costs and further improve its price competitiveness.

<(ii) Installation of the next LNG power source and development of an LNG terminal>

- In order to respond to the future increase in electricity demand in Hokkaido and the low-carbon and decarbonization (energy transition) from existing oil- and coal-fired power generation, the Company will conduct studies toward the installation of the next LNG power source, while steadily advancing the restart of the Tomari Nuclear Power Station and expanding the introduction of renewable energy such as offshore wind power.
- From the standpoint of ensuring a robust supply system that can provide stable electricity not only to next-generation semiconductor plants and large-scale data centers currently planned, but also to meet future electricity demand expected as efforts to attract companies progress, the Company envisions installing LNG power sources as transition (interim) power sources that take into account future decarbonization.
- This power source will not only respond to the demand described above, but will also be utilized as a balancing power source to accommodate the increasing introduction of renewable energy, thereby contributing to the stabilization of the power grid. In the future, the Company intends to transition from LNG to decarbonized fuels such as hydrogen and ammonia.
- The Company will also consider the development of a terminal designed to accommodate large ocean-going vessels in order to handle the LNG and ammonia. Through such terminal development, the Company will ensure a stable supply of LNG and reduce procurement costs.

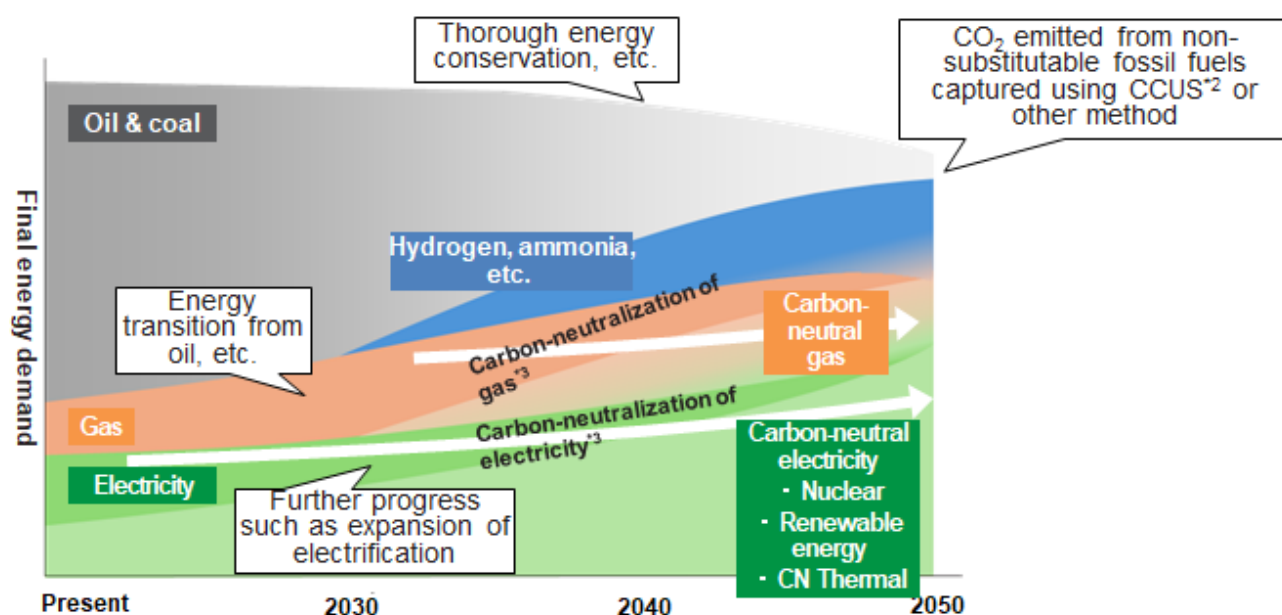
- Furthermore, by using this LNG terminal not only for the power generation business, but also in combination with the gas business (Initiative (i)), the Company will work to achieve a more stable and price-competitive supply of gas across all of Hokkaido.

<(iii) Carbon neutralization through next-generation energy>

- The Company is proceeding with consideration of hydrogen, ammonia, and e-methane^{*2}, which are expected to be next-generation energy sources that do not emit CO₂ during combustion, as well as the CCUS^{*3} business, toward their social implementation around 2030.
- Looking ahead, the Company aims to achieve carbon neutrality in Hokkaido by combining hydrogen, ammonia, and others with decarbonized electricity and gas and by creating a rational energy mix based on the characteristics of each energy source.
- In addition, while leveraging the technologies and services cultivated through these initiatives, the Company will provide these diverse decarbonization solutions in accordance with the needs of customers aiming for decarbonization in Hokkaido.

[Image of Achieving Carbon Neutrality in Hokkaido through the Provision of Diverse Decarbonization Solutions^{*1}]

- Contributing to the realization of “Zero-Carbon Hokkaido” promoted by Hokkaido -



*1 Press release dated December 3, 2025: “Acquisition of the Gas Production Business, Sales Business, and Pipeline Business of Japan Petroleum Exploration Co., Ltd.”
(https://www.hepco.co.jp/info/2025/1252957_2068.html)

*2 Although e-methane emits CO₂ during combustion, it uses as raw materials hydrogen derived from non-fossil energy and CO₂ captured from exhaust gas and others. As a result, the amount of CO₂ in the atmosphere does not increase in net terms.

*3 Abbreviation for Carbon dioxide Capture, Utilization and Storage.

*4 With regard to the carbon-neutralization of electricity and gas, the Company aims to achieve carbon neutrality in 2050 while taking into account the energy situation and technology trends. For electricity, the Company will combine the promotion of non-fossil energy, fuel switching to hydrogen, ammonia, and others, CCUS, and other measures. For gas, the Company will combine the transition to e-methane, biogas, and others, CCUS, and other measures.

attached materials “New Energy Supply Chain Initiative Originating in the Tomakomai Area of Hokkaido”

New Energy Supply Chain Initiative Originating in the Tomakomai Area of Hokkaido

**—Toward Achieving Carbon Neutrality in Hokkaido and the Company's
Sustainable Growth—**

January 30, 2026

Hokkaido Electric Power Company, Incorporated

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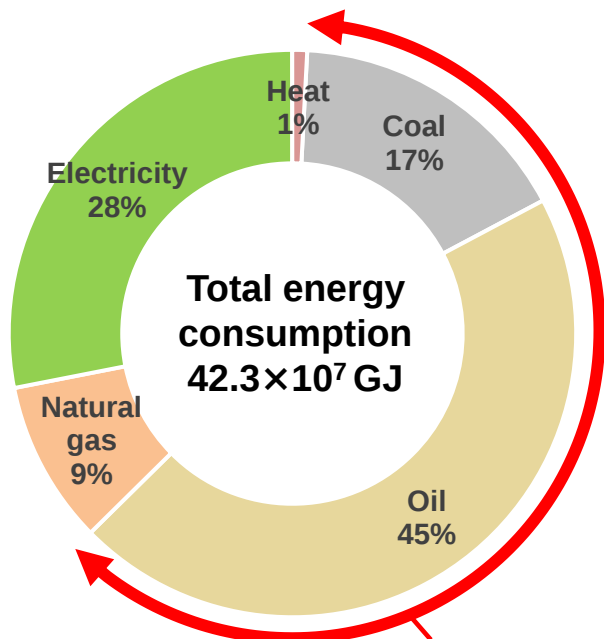
1. New Energy Supply Chain Initiative Originating in the Tomakomai Area of Hokkaido

(1) Energy demand characteristics and business opportunities in Hokkaido

- Hokkaido is a snowy, cold region, and its cities are scattered across a vast area. Because of these regional characteristics, the share of oil and coal in final energy consumption is high (**approximately 62% of final energy consumption in Hokkaido (preliminary results for FY2023)**). The market size of oil and coal is approximately 800.0 billion yen,* indicating **significant potential for an energy transition toward low-carbon and decarbonization**.
- Within this, in household energy consumption (per household), total energy consumption is approximately 1.7 times higher than the national average, and consumption of kerosene is approximately 5.8 times higher.
- In addition, the development of next-generation semiconductor plants and large-scale data centers is progressing in Hokkaido. As a result, **energy demand within Hokkaido is expected to increase significantly in the future**.

* The Company's estimate (estimated based on final energy consumption in Hokkaido)

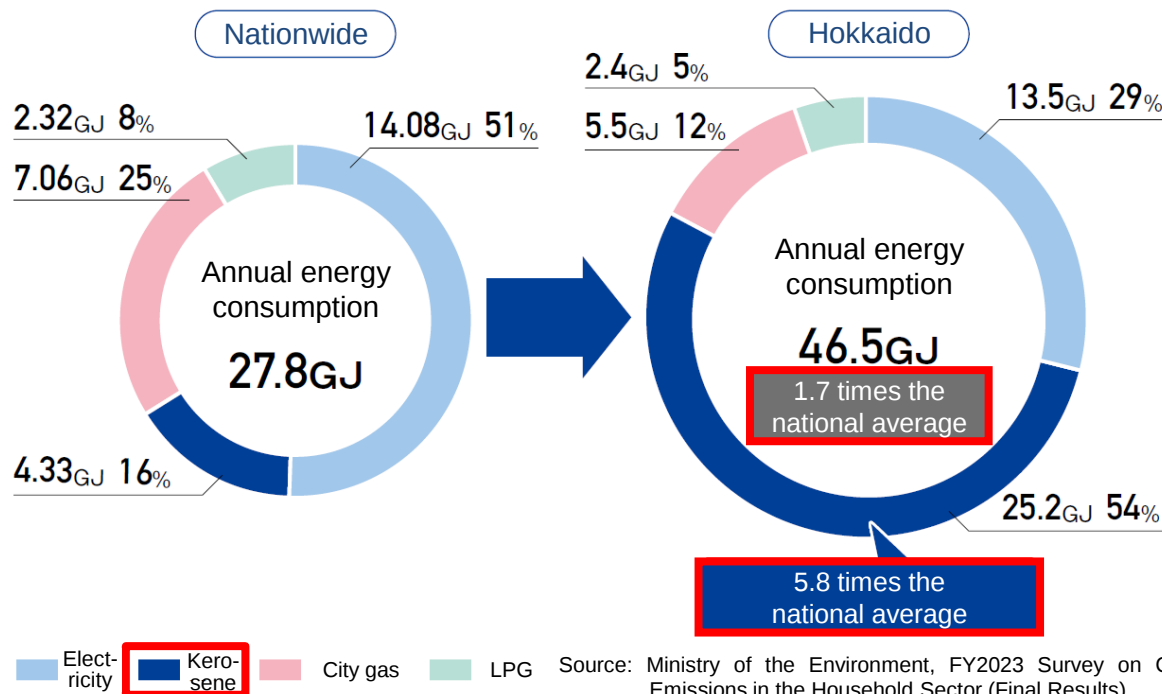
<Final energy consumption share in Hokkaido>
(Preliminary results for FY2023, heat content basis)



The share of oil and coal is approx. 62% of total energy consumption

Source: Energy statistics by prefecture

Annual energy consumption by energy type per household (FY2023 results)



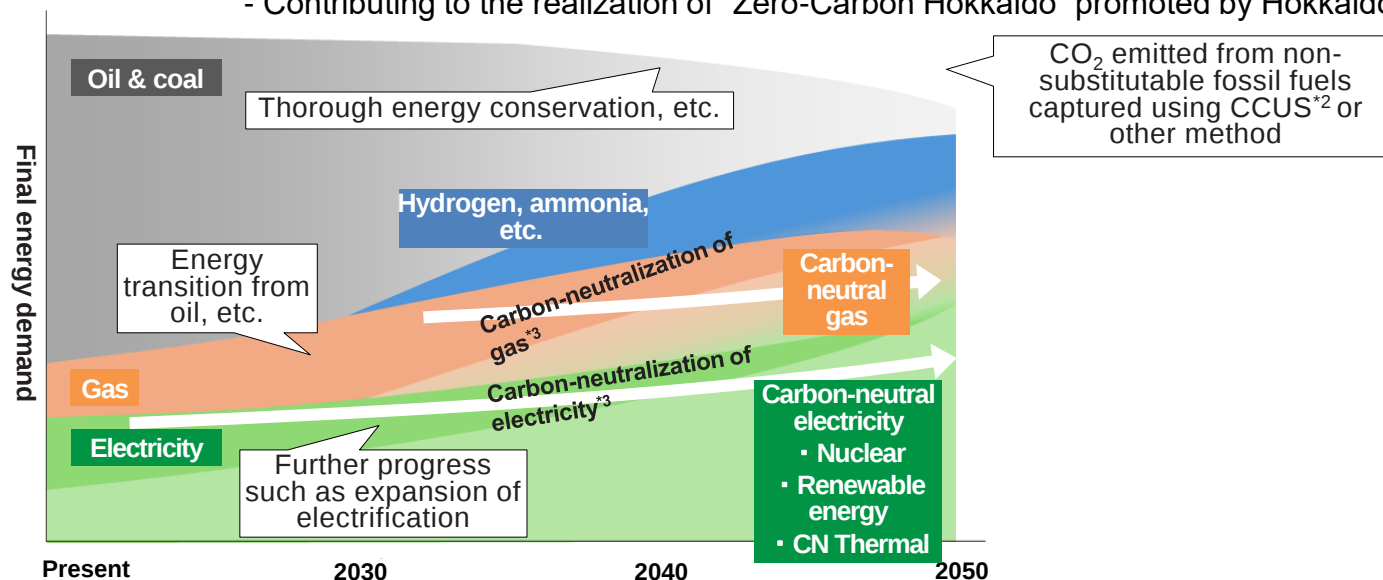
1. New Energy Supply Chain Initiative Originating in the Tomakomai Area of Hokkaido

(2) Achieving carbon neutrality and the Company's sustainable growth

- The Company will **advance initiatives to steadily capture these business opportunities**, including the low-carbon and decarbonization (energy transition) of oil and coal and the increase in energy demand. Looking ahead, the Company **aims to build a new energy supply chain originating in the Tomakomai area, where industries are concentrated, and to provide diverse decarbonization solutions**.
- Specifically, the Company will **promote electrification while steadily advancing the restart of the Tomari Nuclear Power Station and expanding the introduction of renewable energy such as offshore wind power** and taking into account trends in the energy situation. In the near term, the Company will steadily advance efforts on **“(i) full-scale entry into the gas business”** and will also proceed with consideration toward the future realization of **“(ii) installation of the next LNG power source and development of an LNG terminal”** and **“(iii) carbon neutralization through next-generation energy.”**
- The Company will advance these initiatives **to contribute to achieving carbon neutrality in Hokkaido in 2050 and to support the Company's sustainable growth**.

<Image of achieving carbon neutrality in Hokkaido through the provision of diverse decarbonization solutions*1>

- Contributing to the realization of “Zero-Carbon Hokkaido” promoted by Hokkaido -



*1 As of the announcement of the “HEPCO Group Management Vision 2035” in March 2025, full-scale entry into the gas business was still at the initial concept stage. However, since the Company has decided to pursue full-scale entry into this business, it reflected the image of gas demand in the Vision’s “Future Energy Demand in Hokkaido (Illustration).”

*2 Abbreviation for Carbon dioxide Capture, Utilization and Storage.

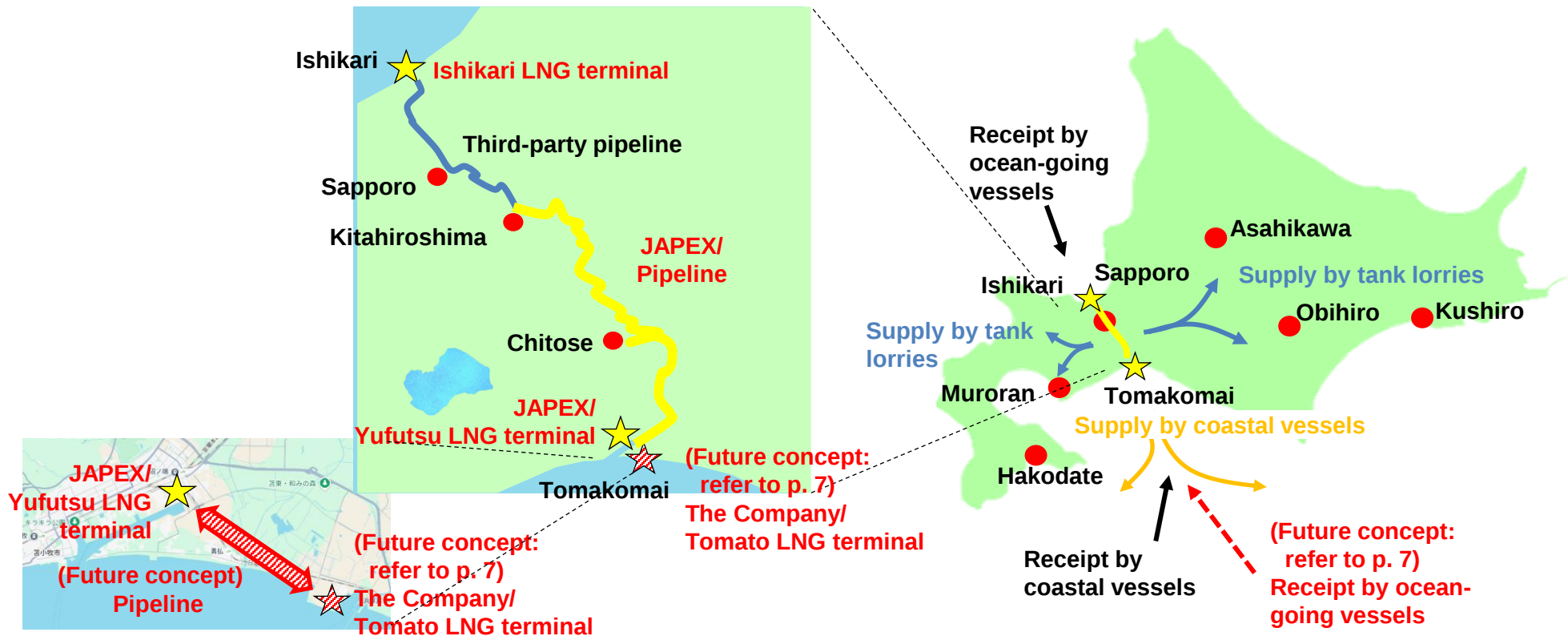
*3 With regard to the carbon-neutralization of electricity and gas, the Company aims to achieve carbon neutrality in 2050 while taking into account the energy situation and technology trends. For electricity, the Company will combine the promotion of non-fossil energy, fuel switching to hydrogen, ammonia, and others, CCUS, and other measures. For gas, the Company will combine the transition to e-methane, biogas, and others, CCUS, and other measures.

2. [Initiative (i)] Full-Scale Entry into the Gas Business

(1) Establishing two bases, Tomakomai and Ishikari, and building a supply system across all of Hokkaido

- The Company anticipates that gas demand in Hokkaido will further increase due to the energy transition and growth in energy demand going forward. Building on the gas retail business that it has pursued to date, the Company will expand its business scope and **enter the gas business on a full-scale basis**.
- To achieve full-scale entry, the Company will steadily proceed with steps such as the acquisition from Japan Petroleum Exploration Co., Ltd. (JAPEx) of its gas production business, sales business, and pipeline business and will work to **establish an integrated gas business supply chain from production to sales**.
- In addition, the Company will **collaborate with the Ishikari LNG terminal (establishing two bases, Tomakomai and Ishikari) and build a supply system using tank lorries and coastal vessels in order to supply gas across all of Hokkaido, not limited to the Tomakomai and Sapporo areas, and expand gas demand**.

<Image of establishing two bases, Tomakomai and Ishikari, and supplying gas across all of Hokkaido>



2. [Initiative (i)] Full-Scale Entry into the Gas Business (Reference) Acquisition from Japan Petroleum Exploration Co., Ltd. of its gas production business, sales business, and pipeline business

- The Company announced on December 3, 2025, that it entered into an agreement to acquire the gas production business, sales business, and pipeline business operated by Japan Petroleum Exploration Co., Ltd. (JAPEX) in Hokkaido.

譲り受ける主な設備(全体像)



- 今回の契約締結に伴い、JAPEXから下表の設備を譲り受けることとなります。

名 称	石油資源開発株式会社 勇払プラント
所 在 地	北海道苫小牧市勇払、沼ノ端
主な譲受対象設備	LNG受入基地、LNGプラント、ガスパイプライン、LNGローリー出荷設備、事務所建屋

<譲り受ける設備の位置関係>



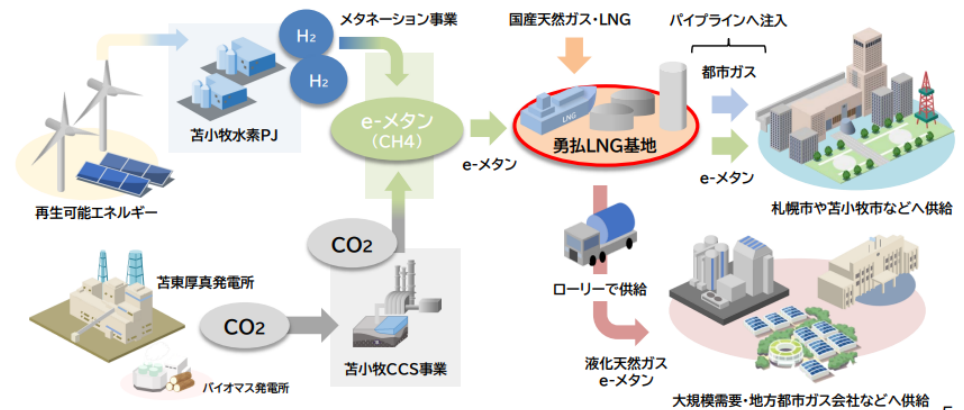
国土地理院 地理院タイル(写真)を加工して作成

2

譲り受けるガス事業を活用した今後の取り組み



- 当社では、北海道から日本のエネルギー脱炭素化に貢献するとともに、事業成長の実現を目指しております。
- 今回、譲り受けるガス供給事業により、大規模需要等の産業集積化へ対応する供給力向上や石狩LNG基地との2拠点化によるレジリエンス強化に努めてまいります。
- また、周辺事業やプロジェクト等を組み合わせ、グリーン水素とCO₂を原料としたe-メタンによってガスのカーボンニュートラル化の実現にチャレンジしてまいります。



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2. [Initiative (i)] Full-Scale Entry into the Gas Business

(2) Initiatives to expand gas demand

- To expand gas demand, the Company will **seek to reduce costs** from current levels and **improve price competitiveness** by producing city gas^{*1} in-house and by procuring LNG in an integrated manner together with LNG for power generation used at the Ishikariwan Shinko Power Station.^{*2}
- Based on this, the Company will **develop new pricing plans and services that combine electricity and gas** so that not only residential customers, but also commercial and industrial customers, as well as customers with large-scale heat demand created by the concentration of digital industries, will choose the Company.
- In addition, leveraging customer touchpoints established through its electricity retail business, the Company will **strongly promote fuel switching from oil and coal to gas** across all of Hokkaido and will **advance the development and expansion of new gas demand**.
- Looking ahead, through the installation of a new LNG power source and development of an LNG terminal in the Tomakomai area (refer to p. 7), the Company aims to reduce LNG procurement costs and **further improve its price competitiveness**.

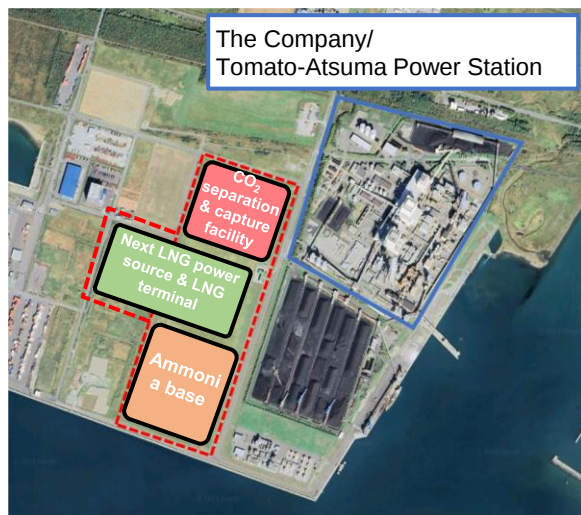
*1 The Company currently receives wholesale supplies of city gas from HOKKAIDO GAS CO., LTD., which produces it from procured LNG, and supplies it to customers.

*2 This includes not only Unit 1, which is already in operation, but also Units 2 and 3, which are scheduled to begin operation sequentially from FY2030 onward.

3. [Initiative (ii)] Installation of the Next LNG Power Source and Development of an LNG Terminal

- In order to respond to the future increase in electricity demand in Hokkaido and the low-carbon and decarbonization (energy transition) from existing oil- and coal-fired power generation, the Company will conduct studies toward **the installation of the next LNG power source, while steadily advancing the restart of the Tomari Nuclear Power Station and expanding the introduction of renewable energy such as offshore wind power.**
- From the standpoint of ensuring a robust supply system that can provide stable electricity not only to next-generation semiconductor plants and large-scale data centers currently planned, but also to meet future electricity demand expected as efforts to attract companies progress, the Company envisions **installing LNG power sources as transition (interim) power sources that take into account future decarbonization.**
- This power source will not only respond to the demand described above, but will also be utilized as a balancing power source to accommodate the increasing introduction of renewable energy, thereby contributing to the stabilization of the power grid. In the future, the Company **intends to transition from LNG to decarbonized fuels such as hydrogen and ammonia.**
- The Company will also consider **the development of a terminal designed to accommodate large ocean-going vessels** in order to handle the LNG and ammonia. Through such terminal development, the Company will ensure a stable supply of LNG and reduce procurement costs.
- Furthermore, by using this LNG terminal not only for the power generation business, but also in combination with the gas business (Initiative (i)), the Company will **work to achieve a more stable and price-competitive supply of gas across all of Hokkaido.**

<Image of the installation of the next LNG power source and LNG terminal>



Next LNG power source	
Start of operation (FY)	Around FY2035
Construction location	Tomato
Power generation capacity	Under consideration
Power generation method	Gas turbine combined cycle, etc.
Fuel type	LNG-only*1
LNG terminal	
Start of operation (FY)	Around FY2035
Construction location	Tomato
Terminal configuration	Ocean-going vessel receiving facilities, large LNG tank (above-ground), vaporization facilities, loading facilities, etc.

4. [Initiative (iii)] Carbon Neutralization through Next-Generation Energy

- The Company is **proceeding with consideration** of hydrogen, ammonia, and e-methane,*¹ which are expected to be next-generation energy sources that do not emit CO₂ during combustion, as well as the CCUS business, **toward their social implementation around 2030.**

<Overview of the Company's initiatives related to next-generation energy>

Item	Overview of the Company's initiatives
Hydrogen	■ The Company has been studying since February 2024 to build <u>a domestic green hydrogen supply chain</u> in the Tomakomai area. ■ In this project, with the start of operations in FY2030 in mind, the Company <u>aims to develop a hydrogen production plant using one of the largest water electrolysis systems in Japan</u> and <u>supply renewable energy-derived hydrogen by pipeline and tank lorries.</u> ■ The Company <u>started operating small-scale hydrogen production facilities in 2023</u> and will use the know-how gained there to continue its consideration toward realizing this project.
Ammonia	■ The Company has been studying since June 2024 to build <u>an ammonia supply chain</u> originating in the Tomakomai area. ■ In this project, with the start of operations in FY2030 in mind, the Company <u>aims to develop an ammonia terminal (base) and supply ammonia to Hokkaido and other regions across Japan.</u> ■ In addition, the Company <u>plans 20% ammonia co-firing at Tomato-Atsuma Power Station Unit 4</u> and will continue its consideration toward realizing this project (already awarded in the 1st long-term decarbonized power source auction).
CCUS	■ The Company has been studying since September 2023 to build <u>a CO₂ supply chain (CCUS)</u> in the Tomakomai area. ■ In this project, with the start of operations in FY2030 in mind, the Company <u>aims to develop CO₂ separation and capture facilities, etc. at Tomato-Atsuma Power Station Unit 4</u> and <u>build a supply chain for CO₂ separation, capture, utilization, and storage in the Tomakomai area.</u> ■ In the future, the Company will also continue its consideration toward <u>expanding to a hub-and-cluster*² CCUS, with the acceptance of CO₂ from other industries in mind.</u>
e-Methane	■ <u>Using hydrogen produced and CO₂ captured through the initiatives above as feedstock,</u> the Company has been studying <u>the production of synthesized e-methane.</u>

*1 Although e-methane emits CO₂ during combustion, it uses as raw materials hydrogen derived from non-fossil energy and CO₂ captured from exhaust gas and others. As a result, the amount of CO₂ in the atmosphere does not increase in net terms.

*2 An efficient value chain structure in which CO₂ is collected at a hub base from multiple CO₂ emission sources in the area and then transported and injected

4. [Initiative (iii)] Carbon Neutralization through Next-Generation Energy

- Looking ahead, the Company **aims to achieve carbon neutrality in Hokkaido** by combining hydrogen, ammonia, and others with decarbonized electricity and gas and **by creating a rational energy mix based on the characteristics of each energy source**.
- In addition, while leveraging the technologies and services cultivated through these initiatives, the Company will **provide these diverse decarbonization solutions to customers aiming for decarbonization in Hokkaido**.

<Image of achieving carbon neutrality in Hokkaido>

