

Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Hokkaido Electric Power Co., Inc.

Financial Results for FY2025

May 9, 2025

Hokkaido Electric Power Co., Inc.

Financial Results and Forecasts

• Consolidated – Business Results/Financial Status	...	3
• Consolidated – Statement of Operations	...	4
• Outline of Consolidated Financial Results for FY2025 -YoY comparison	...	5
• Consolidated Financial Results for FY2025 -YoY changes in ordinary income	...	6
• Outline of Consolidated Financial Results (Comparison with January Forecasts)	...	7
• Consolidated Financial Results for FY2025 -Comparison with January Forecasts	...	8
• Forecasts of Consolidated Financial Performance for FY2026(Ending March 2025)	...	9
• Summary of Forecasts of Consolidated Financial Performance in FY2026	...	10
• Forecasts of Consolidated Financial Performance for FY2026 (Ending March 2026) – YoY changes in ordinary income	...	11
• FY2025 Year-ending Dividend	...	12
• FY2026 Year-ending Dividend Forecasts	...	13
• Financial Results Supplementary Materials	...	14

Management Approach

• Management Themes and Objectives of our New Vision	...	32
• The Challenge of Realizing GX to Drive Hokkaido's Development	...	36
• Challenge to create new value	...	40

Reference Materials

• HEPCO Group Management Vision 2035
• Capital Investment and Cash Flow
• Actual Demand for the Hokkaido Area
• Demand in the Hokkaido area (based on the forecast by the OCCTO)
• Our share in the Hokkaido region
• Plan to Develop Key Power Sources Moving Forward (HEPCO)
• Successful Bid in Auction for Long-term Decarbonized Power Source
• Topics for Period After FY2025 3Q Results Announcement

Financial Results and Forecasts

Business results

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %
Operating Revenue	902.0	953.7	(51.7)	(5.4)
Operating Profit	75.8	101.1	(25.3)	(25.0)
Ordinary Profit	64.0	87.3	(23.2)	(26.6)
Profit attributable to owners of parent	64.2	66.2	(1.9)	(3.0)
Basic net income per share [Yen]	305.90	315.44	(9.54)	

Financial status

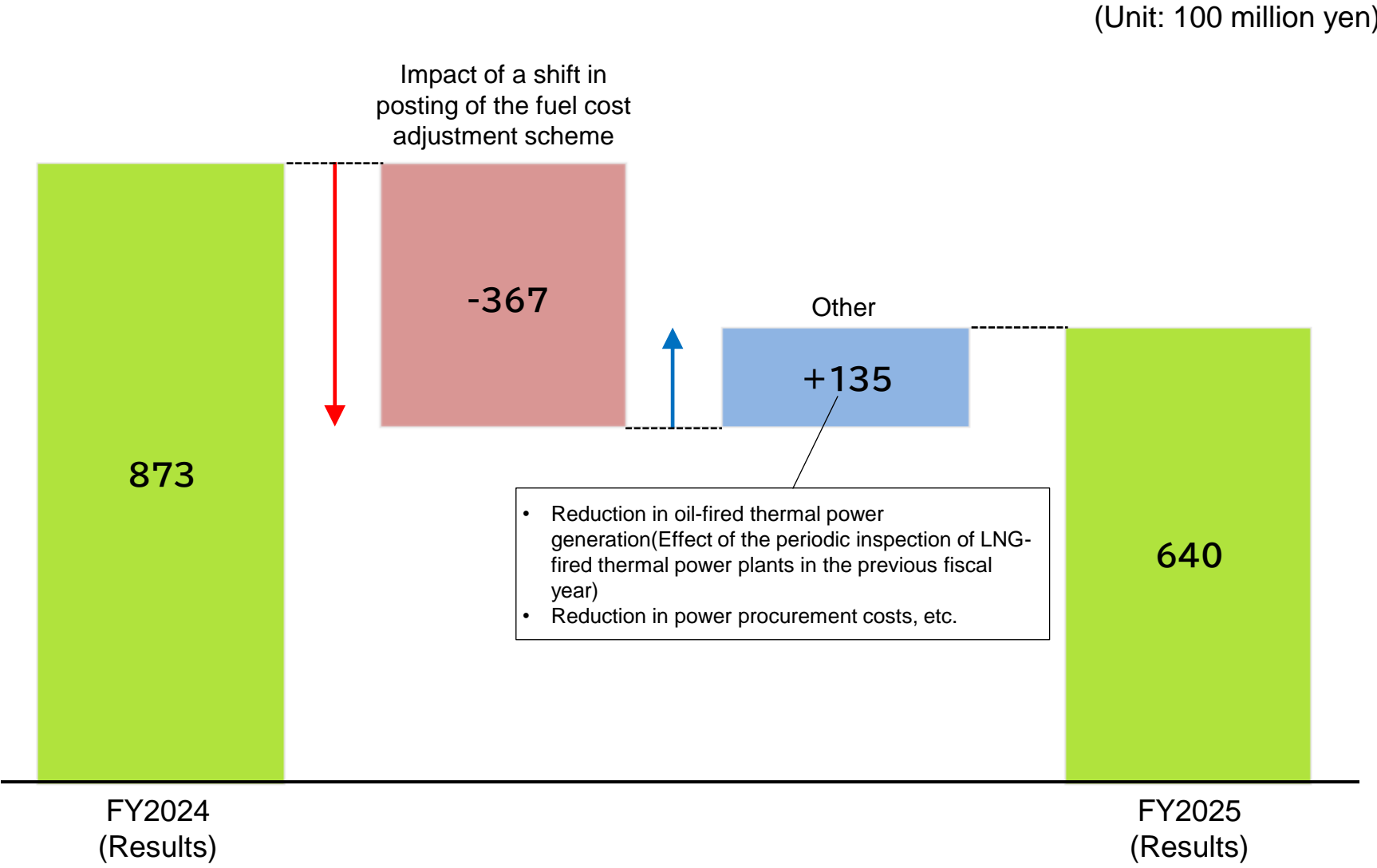
(Billion yen)

	As of March 31, 2025 (A)	As of March 31, 2024 (B)	Change (A)-(B)
Assets	2,244.0	2,141.6	102.3
Net Assets	407.3	333.5	73.8
Shareholders' Equity Ratio	17.5%	14.9%	2.6%

(Billion yen)

		FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %
Ordinary Revenue	Operating Revenues	902.0	953.7	(51.7)	(5.4)
	Electricity utility operating revenue	855.1	912.0	(56.9)	(6.2)
	Other business operating revenue	46.9	41.7	5.1	12.5
	Non-operating Income	3.5	3.0	0.5	18.7
	Subtotal	905.6	956.7	(51.1)	(5.3)
Ordinary Expenses	Operating Expenses	826.2	852.6	(26.4)	(3.1)
	Electricity utility operating expenses	786.7	817.3	(30.5)	(3.7)
	Other business operating expenses	39.4	35.2	4.1	11.7
	Non-operating Expenses	15.3	16.8	(1.4)	(8.8)
	Subtotal	841.5	869.4	(27.9)	(3.2)
[Operating Profit]		[75.8]	[101.1]	[(25.3)]	[(25.0)]
Ordinary Profit		64.0	87.3	(23.2)	(26.6)
Provision or reversal of reserve for fluctuation in water levels		(0.7)	0.4	(1.1)	—
Extraordinary income		19.5	10.0	9.5	95.1
Extraordinary loss		—	8.3	(8.3)	—
Profit before income taxes		84.3	88.5	(4.2)	(4.8)
Income taxes		19.1	21.6	(2.5)	(11.6)
Profit		65.1	66.9	(1.7)	(2.6)
Profit attributable to non-controlling interests		0.9	0.7	0.2	35.6
Profit attributable to owners of parent		64.2	66.2	(1.9)	(3.0)
(Appendix)	Comprehensive Income	80.5	78.8	1.7	2.2

Operating Revenue (Decrease)	Due to a decrease in the fuel cost adjustments associated with the decline in fuel prices and other factors, operating revenue decreased by 51.7 billion yen year-on-year to 902.0 billion yen.
Ordinary Income (Loss)	Ordinary income decreased by 23.2 billion yen compared to the same period of the previous fiscal year to 64.0 billion yen, mainly due to the worsened earnings caused by the elimination of the significant gain on timing difference associated with the fuel cost adjustment system compared to the same period of the previous year.
Profit attributable to owners of parent (Decreased)	Profit attributable to owners of parent was 64.2 billion yen, due to ordinary income and the posting of extraordinary income owing to gains on the sale of nuclear fuel.



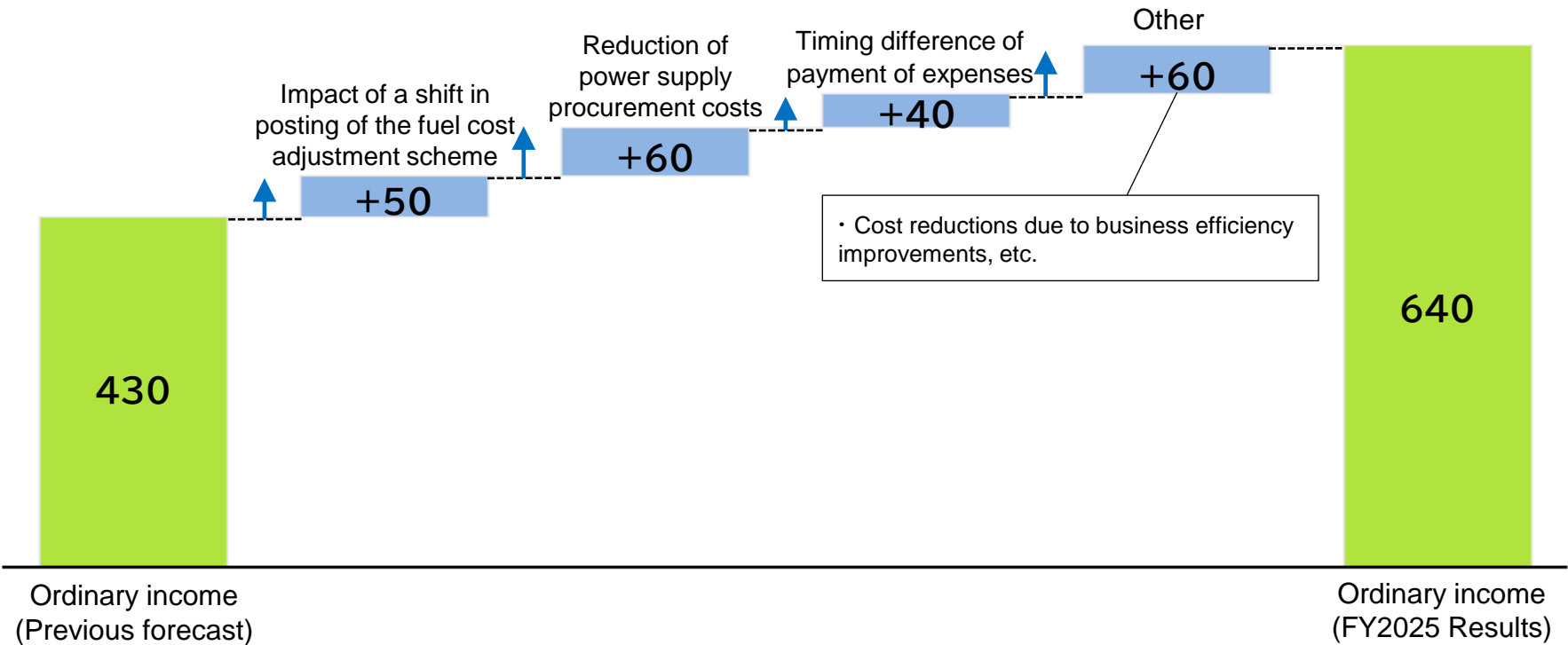
Consolidated ordinary income for FY2025 was up by 21.0 billion yen compared to the earnings forecast announced in January. This was due to an improvement in profit and loss as a result of the time lag effect of the fuel cost adjustment system shifting from a loss to a gain, as well as a reduction in power procurement costs and lower expenses due to delays in the timing of certain expenditures.

(Unit: Billion yen, billion kWh)

	FY2025		
	Results (A)	January forecast (B)	Change (A) – (B)
Operating Revenue	902.0	Approximately 907.0	Approximately (5.0)
Operating profit	75.8	Approximately 56.0	Approximately 20.0
Ordinary profit	64.0	Approximately 43.0	Approximately 21.0
Profit attributable to owners of parent	64.2	Approximately 47.0	Approximately 17.0
Year-on-year change/ Retail electricity sales and electricity sales to other utilities*	(1.3%) 33.5	Approximately (0.8%) Approximately 33.7	Approximately (0.2)
Year-on-year change Retail electricity sales*	(4.1%) 22.8	Approximately (2.8%) Approximately 23.1	Approximately (0.3)

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

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



The forecast for our consolidated financial performance for FY2026 is shown as follows

(Unit: Billion yen, billion kWh)

	FY2026 Forecasts (A)	FY2025 Results (B)	Change (A) – (B)
Operating Revenue	Approximately 898.0	902.0	Approximately (4.0)
Operating profit	Approximately 54.0	75.8	Approximately (21.0)
Ordinary profit	Approximately 40.0	64.0	Approximately (24.0)
Profit attributable to owners of parent	Approximately 26.0	64.2	Approximately (38.0)
Year-on-year change/ Retail electricity sales and electricity sales to other utilities*	Approximately 2.3% Approximately 34.3	(1.3%) 33.5	Approximately 0.8
Year-on-year change Retail electricity sales*	Approximately (0.4%) Approximately 22.7	(4.1%) 22.8	Approximately (0.1)

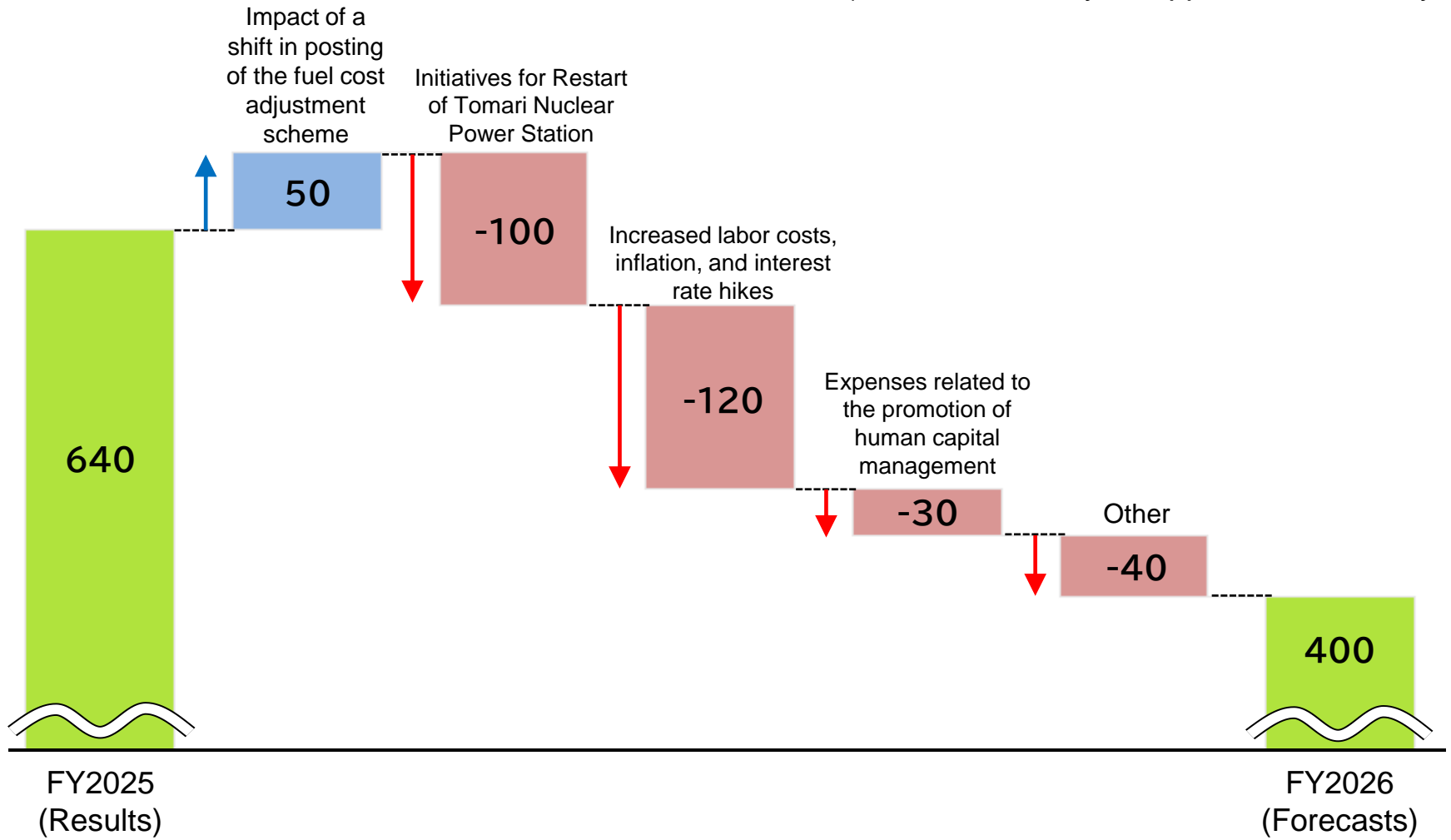
*1 Retail electricity sales and electricity sales to other utilities comprise of the combined sales of HEPCO and Hokkaido Electric Power Network.

Key Factors

Foreign exchange rate (JPY per USD)	Approximately 145	153	Approximately (8)
CIF crude oil price (USD per barrel)	Approximately 75.0	82.4	Approximately (7.0)

Electricity Sales (Retail/other companies)	<p>Despite an increase in demand due to companies setting up in Hokkaido, retail electricity sales are expected to decrease due to the challenging competitive environment.</p> <p>Electricity sales to other companies are expected to increase, driven by a rise in the purchase of renewable energy. As a result, combined retail and sales to other companies are projected to increase by 0.8 billion kWh year-over-year to approximately 34.3 billion kWh.</p>
Operating revenue (Decrease)	<p>We forecast an operating revenue of approximately 898.0 billion yen, a decrease of 4.0 billion yen year-over-year, due to a decline in fuel cost adjustments in tandem with a drop in fuel prices.</p>
Ordinary Income (Decrease)	<p>Ordinary income is expected to be 40.0 billion yen, down 24.0 billion yen year-on-year. Although there will be increases in gains due to the time lag effect of the fuel cost adjustment system in tandem with a drop in fuel prices, factors such as Tomari Nuclear Power Station restart initiatives, rising labor costs, inflation, interest rate hikes, and human capital investment promotion will lead to a net decrease in profit.</p>
Profit attributable to owners of parent (decrease)	<p>Profit attributable to owners of parent is expected to be approximately 26.0 billion yen, a decrease of 38.0 billion yen year-over-year. This is due to the impact of recording the extraordinary income owing to a gain on the sale of nuclear fuel, in addition to a decrease in ordinary profit.</p>

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



We basically plan to retain our stable fiscal year-end dividend payout. On top of this we comprehensively factored in our financial performance in FY2025, and the medium- to long-term management environment and income and expenditure trends. Consequently, at the Board of Directors meeting held on May 9, 2025, we approved the submission of this matter as detailed below to the 101th General Meeting of Shareholders scheduled to be held on June 26, 2025.

- Common shares of the Company → 10 yen per share (total 2,057 million yen)
- Class B preferred shares of the Company → 1,500,000 yen per share (total 705 million yen)

- From FY2026 onward, our basic policy for dividends is to maintain stable dividends with a target DOE of 2%. Until the restart of the Tomari NPS Unit 3, we will continue to aim for a DOE of 2% while making holistic decisions with due consideration to the recovery of our financial base.
- Based on the above, the dividend forecast for FY2026 is ¥30 per share for common stock (¥15 per share at both the interim and year-end).

Cash Dividend per Share

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

- Consolidated; Electricity Sales
- Monthly Retail Electricity Sales Trends at HEPCO
- Consolidated; Statement of Operations (Revenue)
- Consolidated; Power Supply
- Consolidated; Statement of Operations (Expenses and Ordinary Profit)
- Consolidated; Segment Information
- Consolidated; Statements of Cash Flow
- (Reference) Impact of a shift in posting of the fuel cost adjustment scheme in FY2025 (image)
- (Reference) Impact of a shift in posting of the fuel cost adjustment scheme in FY2026 (image)
- Expense breakdown (Two Companies Total)
 - Personnel
 - Fuel and Purchased Power
 - Maintenance、Depreciation
 - Interest Expenses、Other Expenses
- Key Factors / Sensitivity Factors
- Consolidated; Statements of Balance Sheets
- Consolidated; Statements of Comprehensive Income

- Electricity sales in the retail market totaled 22,800 million kWh, a year-over-year growth rate of -4.1%, caused by a decrease in demand for air conditioning and heating due to lower summer temperatures and warmer winter temperatures compared to the previous fiscal year.
- Electricity sales to other utilities totaled 10,725 million kWh, an increase of 5.5% year-over-year, mainly due to a rise in sales volume owing to an increase in the purchase of renewable energy.

(GWh)

			FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %
Retail electricity sales	Low-voltage customers	Residential	7,805	8,024	(219)	(2.7)
		Commercial and Industrial	1,764	1,827	(63)	(3.5)
		subtotal	9,569	9,851	(282)	(2.9)
	High-voltage and Extra high-voltage customers		13,160	13,620	(460)	(3.4)
	Subtotal (*1)		22,729	23,471	(742)	(3.2)
	Other (*2)		71	315	(244)	(77.7)
	Total		22,800	23,786	(986)	(4.1)
Electricity sales to other utility			10,725	10,163	562	5.5
Total			33,525	33,949	(424)	(1.3)

*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 Hokkaido Electric Power Network. For the previous year, the amount of electricity sold by Hokkaido Electric Power Co-Creation, which was merged into the Company on October 1, 2023, is included.

(GWh, %)

		FY2025												
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Low-voltage customers	Residential	703	634	488	512	612	569	499	637	681	967	761	742	7,805
	Commercial and industrial	169	98	73	82	99	90	77	101	164	325	253	233	1,764
	Subtotal	872	732	561	594	711	659	576	738	845	1,292	1,014	975	9,569
High-voltage and Extra High-voltage customers		982	973	1,002	1,137	1,142	1,034	1,036	1,074	1,270	1,222	1,121	1,167	13,160
[%YoY]		[(0.5%)]	[(2.6%)]	[(1.5%)]	[(2.0%)]	[(3.1%)]	[(6.6%)]	[(4.1%)]	[0.4%]	[(2.0%)]	[(3.0%)]	[(6.5%)]	[(5.2%)]	[(3.2%)]
Total		1,854	1,705	1,563	1,731	1,853	1,693	1,612	1,812	2,115	2,514	2,135	2,142	22,729

		FY 2024												
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
Low-voltage customers	Residential	697	637	495	538	611	610	545	616	719	987	788	781	8,024
	Commercial and industrial	145	102	76	87	101	98	86	95	172	327	282	256	1,827
	Subtotal	842	739	571	625	712	708	631	711	891	1,314	1,070	1,037	9,851
High-voltage and Extra High-voltage customers		1,021	1,012	1,017	1,141	1,200	1,104	1,049	1,094	1,268	1,279	1,212	1,223	13,620
[%YoY]		[(3.1%)]	[0.9%]	[0.7%]	[(1.1%)]	[5.9%]	[5.2%]	[(3.5%)]	[(3.4%)]	[(1.1%)]	[(1.7%)]	[(1.2%)]	[8.3%]	[0.4%]
Total		1,863	1,751	1,588	1,766	1,912	1,812	1,680	1,805	2,159	2,593	2,282	2,260	23,471

Average temperature in Hokkaido(Sapporo)

(℃)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature (2023~2024)	actual	0.8	10.4	14.2	19.0	23.3	24.6	19.9	13.8	6.0	(1.9)	(1.2)	(0.9)	2.0
	YoY	(4.1)	1.2	0.4	(0.3)	(0.5)	(2.1)	(1.6)	0.5	(0.7)	(1.2)	0.6	1.0	1.2
	deviation	(0.3)	3.1	1.2	2.0	2.2	2.3	1.3	1.7	0.8	(1.0)	2.0	1.8	0.9

(Unit: billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Operating Revenue	902.0	953.7	(51.7)	(5.4)	
Electric utility operating revenue	855.1	912.0	(56.9)	(6.2)	
Two companies total*					
Commercial and Industrial	599.2	612.4	(13.2)	(2.2)	【Cause of increase】 Decrease in the discounted from the national project to mitigate a sharp increase in electricity and gas rates [45.2] 【Cause of decrease】 Decrease in fuel price [(42.1)]
Others	257.4	300.9	(43.4)	(14.4)	
Sold power to other utilities & Sold power to other suppliers (Repost)	176.9	174.1	2.7	1.6	Decrease in the subsidy from the national project to mitigate a sharp increase in electricity and gas rates [(45.2)]
Transmission revenue (Repost)	43.2	42.1	1.1	2.7	
Subsidiary / consolidation revision	(1.5)	(1.3)	(0.2)	19.2	
Other business operating revenue	46.9	41.7	5.1	12.5	
Non-operating Income	3.5	3.0	0.5	18.7	
Ordinary Revenue	905.6	956.7	(51.1)	(5.3)	

*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.

- Given the shutdown of operations at all reactors at the Tomari Nuclear Power Station, the water flow rate was 89.9%, below normal value. However, we were able to secure stable supply owing to proper operation and management of supply facilities.

(GWh)

		FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %
Generated Power	[Water flow rate %] Hydroelectric	[89.8%] 2,292	[103.6%] 3,597	[(13.8%)] (605)	(16.8)
	Fossil Fuel	16,167	15,382	785	5.1
	[Nuclear capacity ratio %] Nuclear	[-] —	[-] —	[-] —	—
	Renewable, etc.	117	104	13	12.1
	Subtotal	19,276	19,083	193	1.0
Power received by other companies*		17,347	17,925	(578)	(3.2)
Power used for pumped storage, etc.		(451)	(321)	(130)	40.7
Total		36,172	36,687	(515)	(1.4)

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

(Unit: billion yen)

			FY2025 (A)	FY2024 (B)	Change (A)-(B)	Comparison (A)/(B) %	Major cause of increase/decrease
Electric utility operating expenses			786.7	817.3	(30.5)	(3.7)	
Two companies total*	Personnel	57.2	56.3	0.9	1.7		
	Fuel	174.1	214.1	(39.9)	(18.7)	• Decrease in fuel prices[(21.8)] • Reduction in oil-fired thermal power generation(Effect of the periodic inspection of LNG-fired thermal power plants in the previous fiscal year) etc. • Reduction in power procurement costs[(5.5)]	
	Purchased Power	262.9	258.8	4.0	1.6		
	Maintenance	79.7	76.9	2.8	3.7		• Increase in maintenance costs for electric power distribution facilities [2.3]
	Depreciation	66.5	66.4	0.0	0.1		
	Other Expenses	151.3	150.3	1.0	0.7		
	Subsidiary / consolidation revision		(5.2)	(5.7)	0.4	(7.7)	
Other business operating expenses			39.4	35.2	4.1	11.7	
Non-operating Expenses			15.3	16.8	(1.4)	(8.8)	
	Interest Expenses(Repost)	10.9	12.1	(1.1)	(9.8)		
Ordinary Expenses			841.5	869.4	(27.9)	(3.2)	
Ordinary profit			64.0	87.3	(23.2)	(26.6)	

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

(Unit: billion yen)

- Sales in the HEPCO segment totaled 788.0 billion yen, a decrease of 73.5 billion yen year-over-year. This was mainly due to a decline in fuel cost adjustments in tandem with a drop in fuel prices.

Segment ordinary income was 53.6 billion yen, down 15.2 billion year-over-year. This was mainly due to decreased revenue as a result of the elimination of the significant gain in the previous fiscal year that was attributable to time lag under the fuel cost adjustment system.

- Sales in the Hokkaido Electric Power Network segment totaled 321.1 billion yen, an increase of 7.3 billion yen year-over-year. Despite decreases as a result of the reductions in the electricity price under the Last Resort Supply System, the increase was mainly attributable to an increase in wholesale sales revenues resulting from increased purchases of renewable energy.

As for segment income (loss), ordinary income was 1.1 billion yen, down 9.5 billion yen year-over-year. This was mainly due to an increase in expenses for securing adjustment capacity in the supply-demand adjustment market.

- Other sales were 153.9 billion yen, down 1 billion yen year-over-year, and segment profit (loss) (ordinary profit/loss) was 12.1 billion yen, up 0.5 billion yen year-over-year. This was mainly due to an increase in revenue from providing network access to mobile carriers in the telecommunications business.

	FY2025 (A)	FY2024 (B)	Change (A)-(B)
Operating Revenue	902.0	953.7	(51.7)
Hokkaido Electric Power Company	788.0	861.6	(73.5)
Hokkaido Electric Power Network	321.1	313.7	7.3
Other *1	153.9	154.9	(1.0)
Adjustments *2	(361.1)	(376.6)	15.4
Segment Income/loss (Ordinary Income/loss)	64.0	87.3	(23.2)
Hokkaido Electric Power Company	53.6	68.9	(15.2)
Hokkaido Electric Power Network	1.1	10.6	(9.5)
Other *1	12.1	11.5	0.5
Adjustments *2	(2.9)	(3.9)	0.9

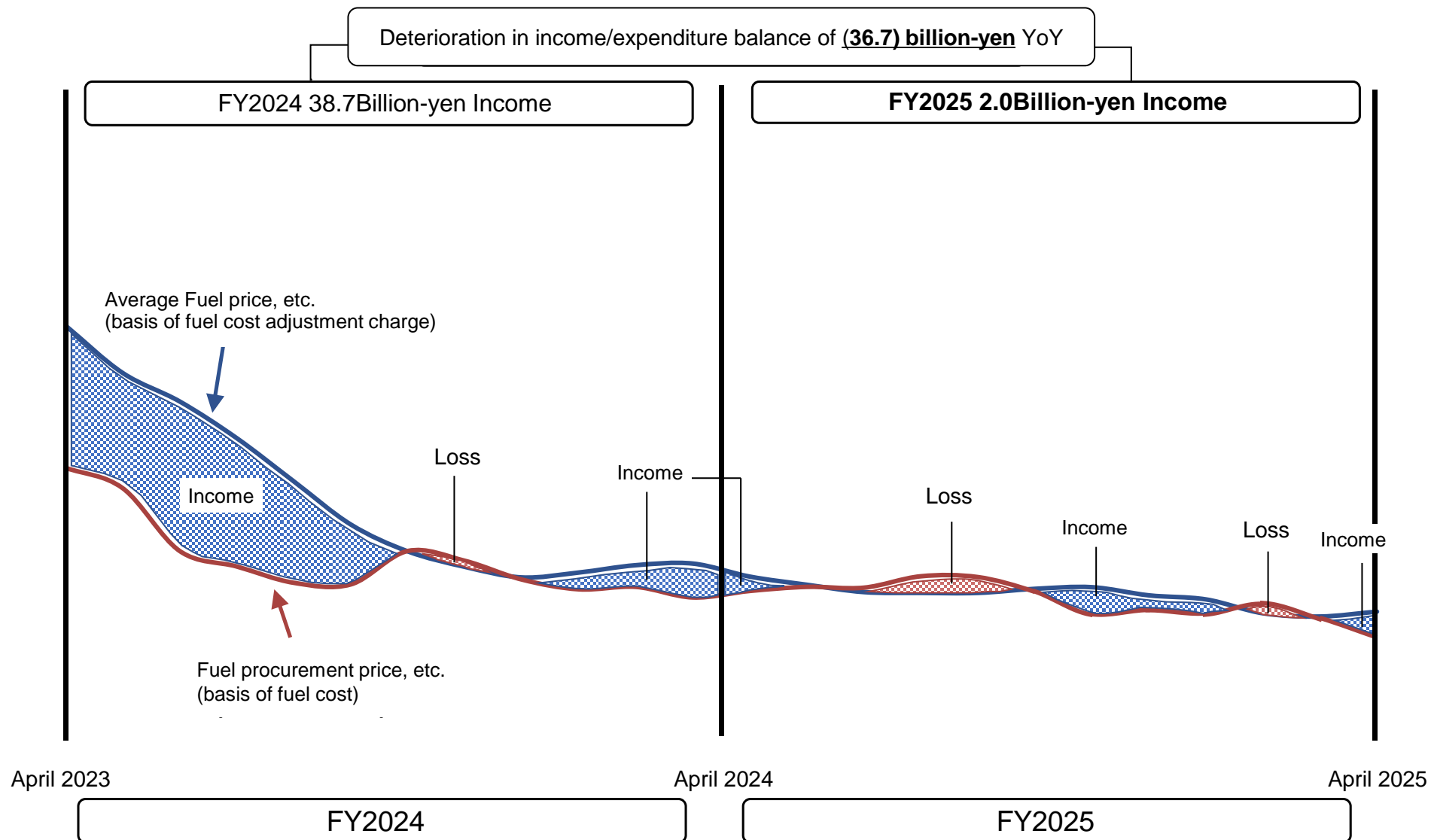
*1 "Other" refers to the results of consolidated subsidiaries other than Hokkaido Electric Power Company and Hokkaido Electric Power Network segments.

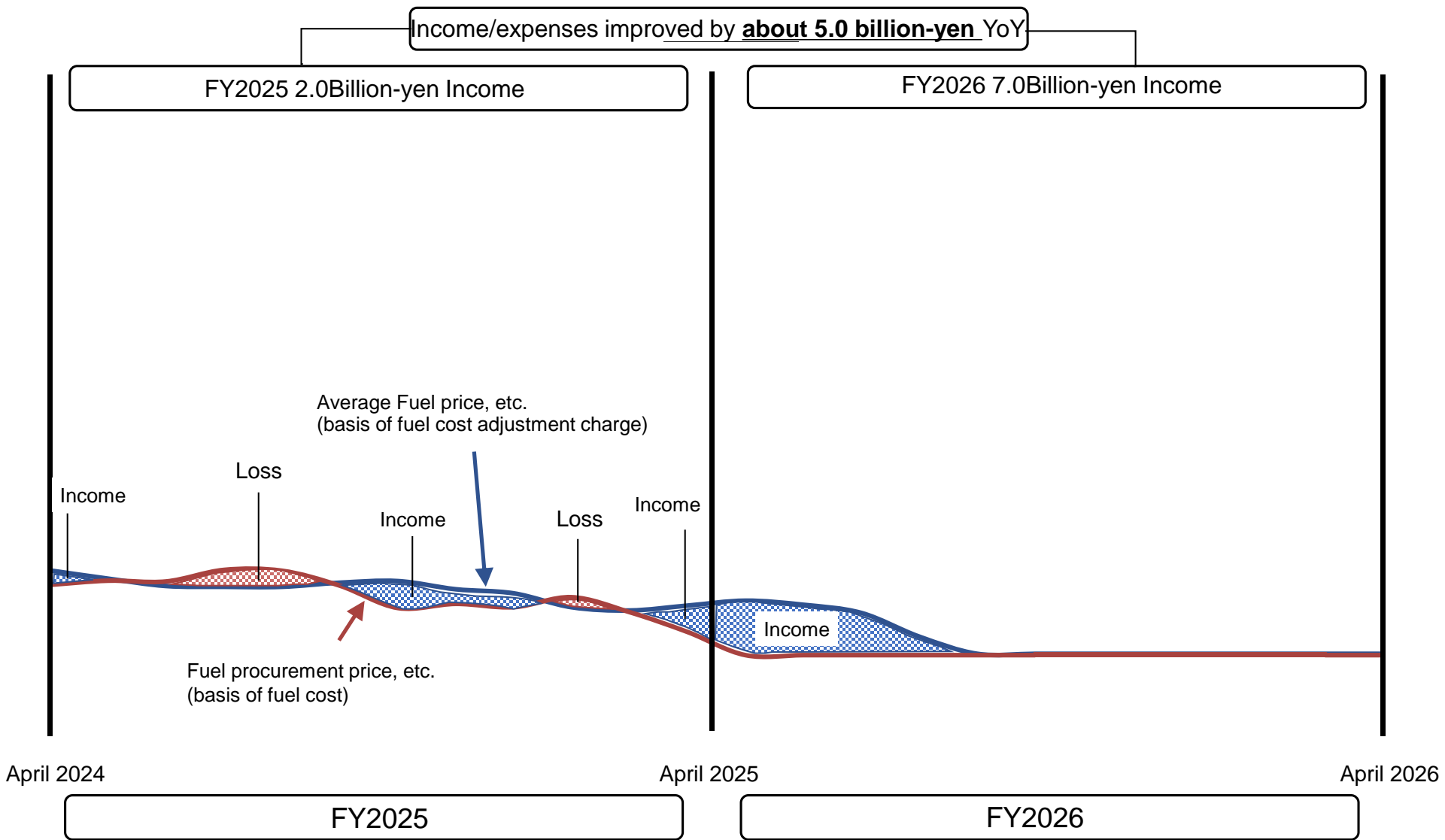
*2 "Adjustments" refer to the amount of elimination of inter-segment transactions in the consolidated financial results.

- Cash flow from operating activities was 125.5 billion yen, down 50.5 billion yen year-over-year. This was mainly due to decreases in profit before income taxes.
- Cash flow used in investing activities was 90.7 billion yen, up 9.8 billion yen year-over-year. Although there was an increase in income due to the sale of nuclear fuel, there was also an increase in expenditures due to the acquisition of fixed assets.
- Cash flows from financing activities was 10.7 billion yen, up 85.3 billion yen year-over-year. This was mainly due to an increase in interest-bearing debt.
- As a result of the above, cash and cash equivalents were 156.3 billion yen, up 45.6 billion yen year-over-year.

(billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)
I . Cash flows from operating activities	125.5	176.1	(50.5)
II . Cash flows from investing activities	(90.7)	(80.8)	(9.8)
Deductible cash flow [I + II]	34.8	95.2	(60.4)
III . Cash flows from financing activities	10.7	(74.6)	85.3
IV . Net increase (decrease) in cash and cash equivalents [I + II + III]	45.6	20.6	24.9
V . Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	0.2	(0.2)
VI . Cash and cash equivalents at end of period	156.3	110.7	45.6





Personnel

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
Personnel	57.2	56.3	0.9	

【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.

(Billion yen)

	Amount accrued	Amortization of the previous year	FY2025		
			Amortization	Unamortized Balance	Ending FY [remaining year]
FY2019	1.4	0.3	-	-	-
FY2020	3.7	0.7	0.7	-	-
FY2021	(4.6)	(0.9)	(0.9)	(0.9)	2026 (1 years)
FY2022	5.3	1.0	1.0	2.1	2027 (2 years)
FY2023	2.9	0.6	0.6	1.7	2028 (3 years)
FY2024	(5.6)	-	(1.1)	(4.4)	2029 (4 years)
FY2025	(12.9)	-	-	(12.9)	2030 (5 years)
Total		1.7	0.3	(14.4)	

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

Fuel and Purchased Power

(Billion yen)

		FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
Fuel and Purchased Power		437.1	473.0	(35.9)	<ul style="list-style-type: none"> • Decrease in fuel prices[(21.8)] • Reduction in oil-fired thermal power generation(Effect of the periodic inspection of LNG-fired thermal power plants in the previous fiscal year) etc. • Reduction in power procurement costs[(5.5)]
Break down	Fuel	174.1	214.1	(39.9)	
	Purchased Power	262.9	258.8	4.0	

*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.

Maintenance

(Billion yen)

		FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
Maintenance		79.7	76.9	2.8	• Increase in maintenance costs for electric power distribution facilities [2.3] † Including the currently closed Date Plant and other plants
Break Down	Generation†	41.0	40.7	0.3	
	Others	38.6	36.1	2.5	

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

Depreciation

(Billion yen)

		FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
Depreciation		66.5	66.4	0.0	
Break Down	Generation	32.9	33.5	(0.5)	
	Others	33.5	32.9	0.5	

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

Interest Expenses

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
[Interest(on average)%] Interest Expenses	[0.78] 10.9	[0.71] 12.1	[0.07] (1.1)	

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

Other Expenses

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)	Major cause of increase/decrease
Other Expenses	151.3	150.3	1.0	

*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

	FY2025 (A)	FY2024 (B)	Change (A)-(B)
Foreign Exchange Rate (Yen/\$)	153	145	8
CIF Crude Oil Price (\$/barrel)	82.4	86.0	(3.6)
Foreign coal CIF (\$/t)	151.1	195.9	(44.8)
LNG CIF (\$/t)	613.8	647.0	(33.2)
Water Flow Rate (%)	89.8	103.6	(13.8)

Sensitivity Factors

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)
Foreign Exchange Rate (1Yen/\$)	1.1	1.2	(0.1)
CIF Crude Oil Price (1\$/barrel)	0.4	0.6	(0.2)
Foreign coal CIF (1\$/t)	0.6	0.52	0.08
LNG CIF (1\$/t)	0.07	0.05	0.02
Water Flow Rate (1%)	0.5	0.5	0.0

(Unit: billion yen)

	As of March 31, 2025 (A)	As of March 31, 2024 (B)	Change (A)-(B)	Major factors for increase/decrease
Assets	2,244.0	2,141.6	102.3	<ul style="list-style-type: none"> • Increase in fixed assets due to capital expenditures [179.3] • Progress of depreciation [(73.2)] • Reversal of assets equivalent to asset retirement obligations [(21.7)]
Liabilities	1,836.6	1,808.1	28.5	<ul style="list-style-type: none"> • Posting of unpaid portion of contribution for reactor decommissioning in tandem with transition to the decommissioned reactor contribution system [95.5] • Increase in interest-bearing debt [18.8] • Increase in accrued liabilities due to construction payments[18.8] • Draw down of asset retirement obligations in tandem with transition to the decommissioned reactor contribution system [(117.3)]
Net Assets	407.3	333.5	73.8	<ul style="list-style-type: none"> • Posting of quarterly profit attributable to owners of parent [64.2] • Dividends paid [(6.5)]

(Billion yen, %)

	As of March 31, 2025 (A)	As of March 31, 2024 (B)	Change (A)-(B)
Interest-bearing Debt Outstanding	1,424.8	1,405.9	18.8
Shareholders' Equity Ratio	17.5	14.9	2.6

(Billion yen)

	FY2025 (A)	FY2024 (B)	Change (A)-(B)
Profit	65.1	66.9	(1.7)
Other Comprehensive Income	15.4	11.9	3.4
Valuation difference on available-for-sale securities [included in "Other Comprehensive Income"]	2.8	5.0	(2.1)
Deferred gains or losses on hedge [included in "Other Comprehensive Income"]	1.1	0.3	0.8
Remeasurements of defined benefit plans [included in "Other Comprehensive Income"]	11.2	6.5	4.7
Share of other comprehensive income of entities accounted for using equity method	0.0	0.0	0.0
Comprehensive Income	80.5	78.8	1.7
Comprehensive income attributable to owners of parent [included in "Comprehensive Income"]	79.0	77.8	1.2
Comprehensive income attributable to non-controlling interests [included in "Comprehensive Income"]	1.5	0.9	0.5

Management Approach

Overview of the FY2026 HEPCO Group
Management Plan
Excerpts from released April 30, 2025

Our Management Agenda toward 2035

- "Based on the recognition that the HEPCO Group can contribute to the development of Hokkaido, the" "HEPCO Group Management Vision 2025" "announced in March 2025 positioned the following three management themes:" "Challenge to realize GX * for the development of Hokkaido" ", " "Challenge to create new value" ", and" "Strengthen the management foundation for sustainable growth" "to support these challenges."
- We aim to achieve both the business growth of the HEPCO Group and the development of Hokkaido by promoting initiatives under the management theme.

*GX (Green Transformation): The aim is to transform the entire socio-economic system in order to raise the international competitiveness of industry by using the realization of carbon neutrality as an opportunity for growth.

HEPCO Group Management Agenda toward 2035

HEPCO Group's Business Growth and Hokkaido's Development

Realization of GX for Hokkaido's Growth

To contribute to digital industries clustering in Hokkaido, we will steadily improve the power infrastructure in anticipation of greater demand as well as buildout of renewable energies, and take up the challenge to decarbonize energy.

Challenge of Creating New Value

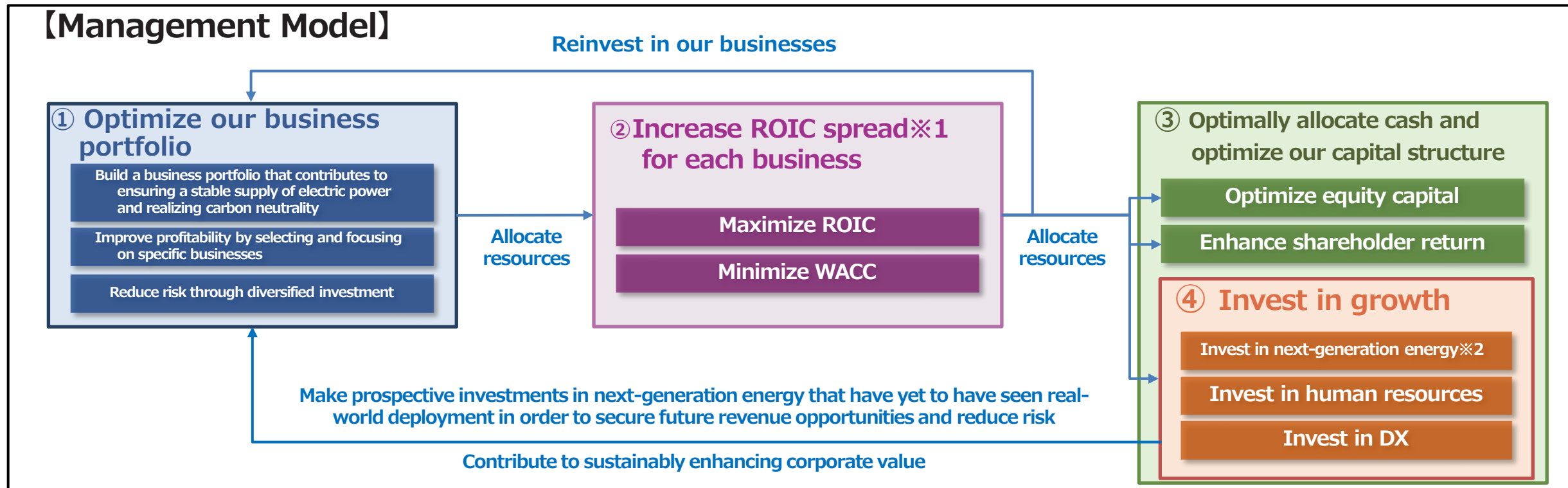
To contribute to the promotion of industry in Hokkaido and resolution of regional issues, we will also take up the challenge of developing non-energy businesses while maintaining our focus on the energy business.

Robust Business Foundation for Sustainable Growth

We will bolster our business foundation so that we may move forward to transform our operations and take up challenges, including those listed above.

Sustainable Corporate Value Enhancement Measures (Management Model)

- We will also realize a 'sustainable enhancement of our corporate value' by addressing measures to ①optimize our business portfolio, ②expand ROIC spread for each business, ③optimally allocate cash and optimize our capital structure, and ④invest in growth.



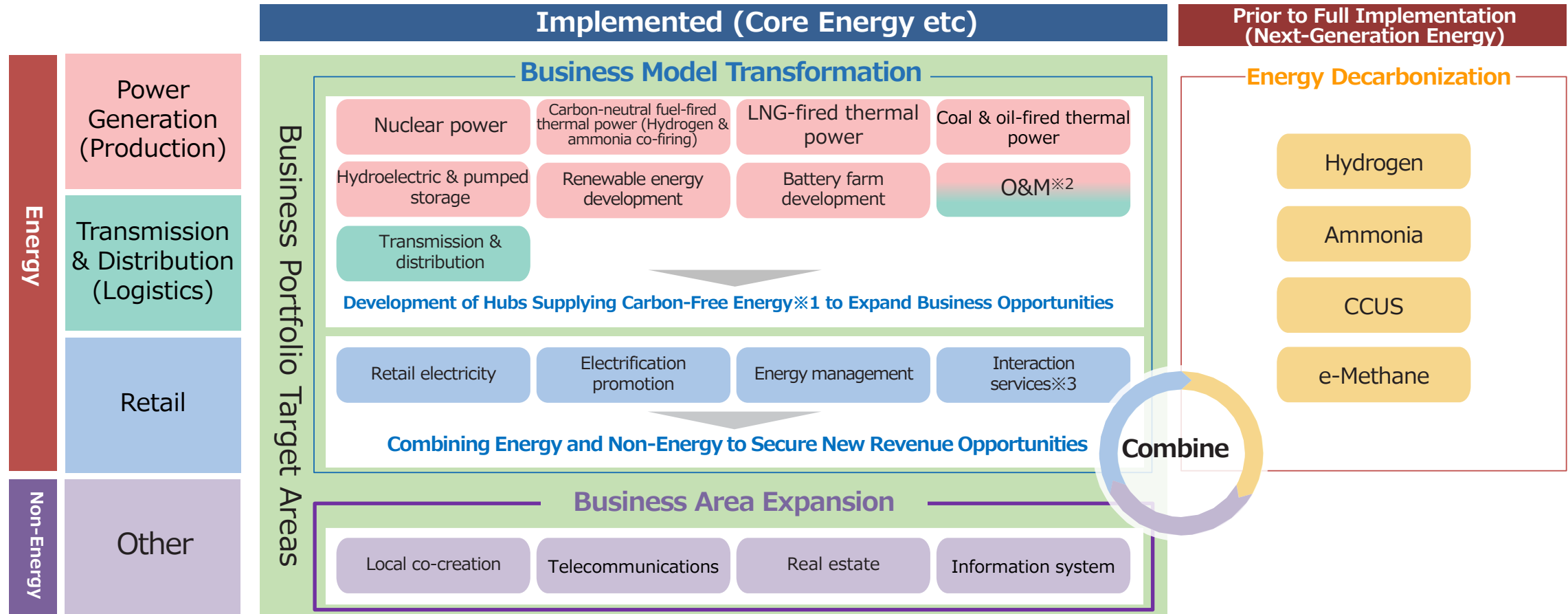
Realize actual enhancement of corporate value

※1 ROIC spread: ROIC (Return On Invested Capital) – WACC

※2 Next-generation energy investment: Investment in hydrogen, ammonia, CCUS, e-methane, etc. (next-generation energy will be incorporated into our business portfolio at the stage when the project is expected to monetize)

HEPCO Group's Business Domains Moving Toward 2035

- In optimizing our business portfolio, we have divided our group businesses into “Energy (Generation, Transmission & Distribution, and Retail) / Non-Energy” and “Implemented (Core Energy etc) / Prior to Full Implementation (Next-Generation Energy).”



※1 Business model for actively investing to leverage Hokkaido's carbon-free energy so that it may be supplied not just throughout Hokkaido, but also Japan (we anticipate supplying not just electric power, but next-generation energies also throughout Japan in the future)

※2 O&M: Abbreviation for "Operation & Maintenance"

※3 Interaction services: Businesses integrally providing a variety of products and services not limited to the energy sector

Management Goals to be Reached by 2035

- The progress of the management goals outlined in the HEPCO Group Management Vision 2035 is displayed below. We will address the three management themes introduced on page four and enhance corporate value.

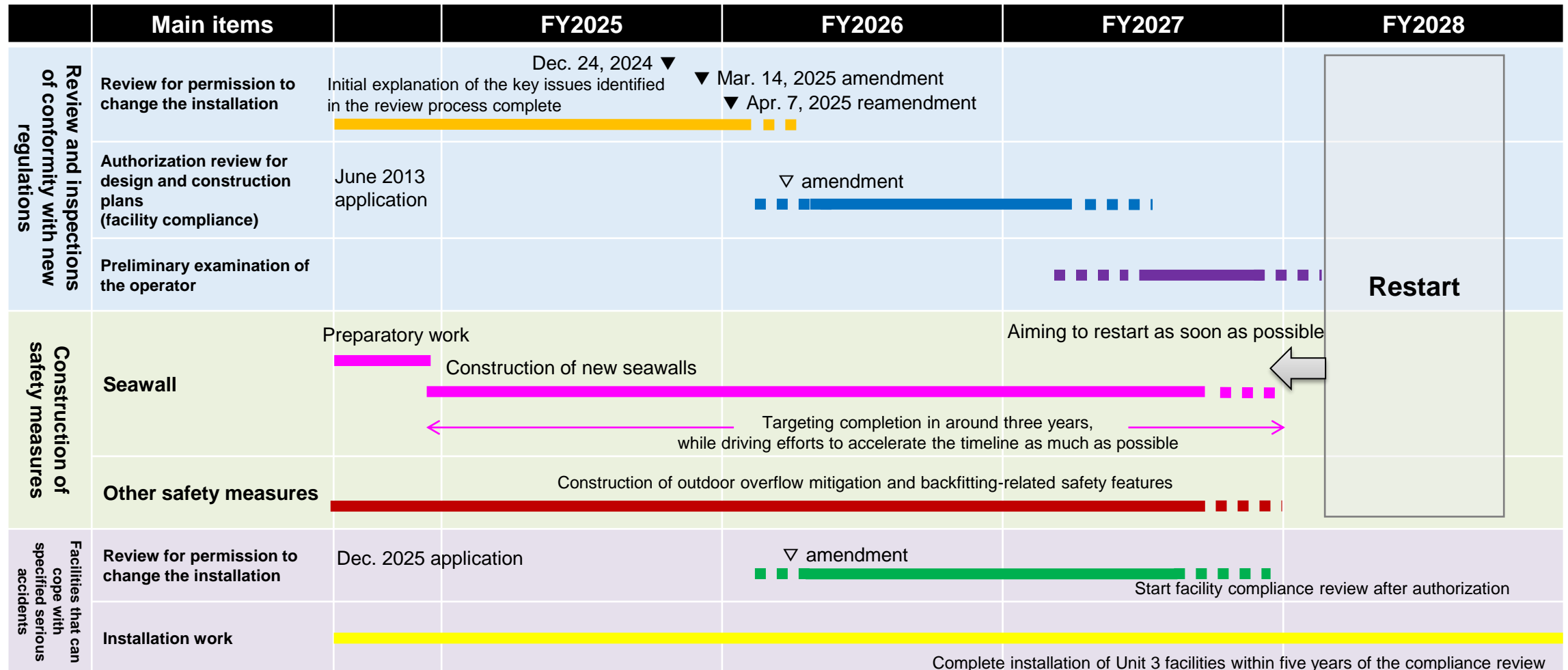
	2024 Results (reference)	2025 Forecast	Before restart of Tomari NPS Unit 3	FY2031	FY2036
Electricity sales	22.7 billion kWh	approx. 22.6 billion kWh	29.0 billion kWh +	33.0 billion kWh +	
Reduction in GHG emissions	-12%*1	approx. -13%	Compared to FY2013: -46%	Compared to FY2013: -60%	
Contribution to GHG reduction	60,000 tons	approx. 90,000 tons	1.5 million tons	2.5 million tons	
CN-related investment	6.5 billion yen	approx. 28.0 billion yen	approx. 400.0 billion yen (cumulative 2025 to 2035)		
Renewable energy target (based on development scale)	42,000 kW	—*2	≥ 1,000 MW (≥ 300,000kW on an equity share basis)	≥ 3,000 MW (≥ 1,000 MW on an equity share basis)	
Ordinary Income	64.0 billion yen	approx. 40.0 billion yen	≥ 40.0 billion yen	≥ 70.0 billion *3	≥ 90.0 billion yen *3
ROIC (WACC)	3.1%	approx. 2.0%	≥ 3.0% (approx. 2.2%)	≥ 3.5% (approx. 2.4%)	
ROE	18.1%	approx. 6.5%	≥ 8%		
Capital ratio	17.5%	approx. 16%	≥ 20%	≥ 25% (future goal: 30%)	
Debt-to-EBITDA ratio	9.5	approx. 12.1	approx. 11	≤ 8	
Dividends (annual) Dividend on Equity (DOE)	20 yen/share (1.3%)	30 yen/share (approx. 1.8%)	Stable dividends with a DOE target of 2% (Until Tomari NPS Unit 3 is restarted, we will aim for a 2% DOE and make a comprehensive determination while being mindful to rebuild our financial foundation.)		
Next-generation energy investment	6.3 billion yen	—*2	approx. 250.0 billion yen (cumulative 2025 to 2035)		
Human capital investment (added value/personnel expenditures)	1.0x	Approx. 1.0x	N / A	Compared to 2024: approx. 1.5	
DX investment	2.3 billion yen	approx. 3.5 billion yen	approx. 30.0 billion yen (cumulative 2025 to 2035)		

*1 Preliminary figures *2 Undisclosed for reasons of business competition *3 Taking into account the reduction in electricity charges that will come into effect with the restart of Tomari NPS

■ Main Initiatives for FY2026 1. The Challenge of Realizing GX to Drive Hokkaido's Development

Initiative to Restart of Tomari Nuclear Power Station

- Nuclear power plays a vital role in supporting both the achievement of CN and the stable supply of electricity, thanks to its characteristics such as stable fuel supply, long-term price stability, and zero CO₂ emissions during operation.
- We are steadily advancing the design and construction plan authorization review, preliminary examination of the operator, and the construction of safety measures such as seawalls, in preparation for the earliest possible restart of Unit 3 at the Tomari Nuclear Power Station in 2027. Also, we will reduce electricity rates to an appropriate level after the restart.



Further Expansion of Renewable Energy Sources

- With regard to renewable energy power sources, we are considering the development of new sites and participation in equity investments, with a view to achieving our management vision of increasing renewable energy sources by 3 million kw or more by fiscal 2036 (on a development scale basis).

Renewable energy power generation business

- The entire Group is working together to expand renewable energy in order to achieve the target.



Binary geothermal power plant in Mori-machi
(Commercial operation started in November 2023)



Biomass power plant in Tomakomai City
(Scheduled to start operation in May 2025)



Offshore wind power in Ishikari Bay
(Commercial operation started in January 2024.)



Wind condition survey in Date Otaki area

- As part of the procedures under the Environmental Impact Assessment Law, we have made environmental consideration documents at the planning stage available to the public for the offshore wind power project off Hiyama and the onshore wind power project in Kaminokuni-cho. We will continue to consider the commercialization of these projects.

Maximum use of hydroelectric power generation

- We are making effective use of valuable water resources by replacing obsolete hydroelectric power stations of Chubu Electric Power and **HOKUDEN ECO-ENERGY Co., Ltd.**
- In January 2025, replacement work at the Shinkunbetsu Power Station was completed and operations resumed.



Turbine room after replacement work



Replacement work

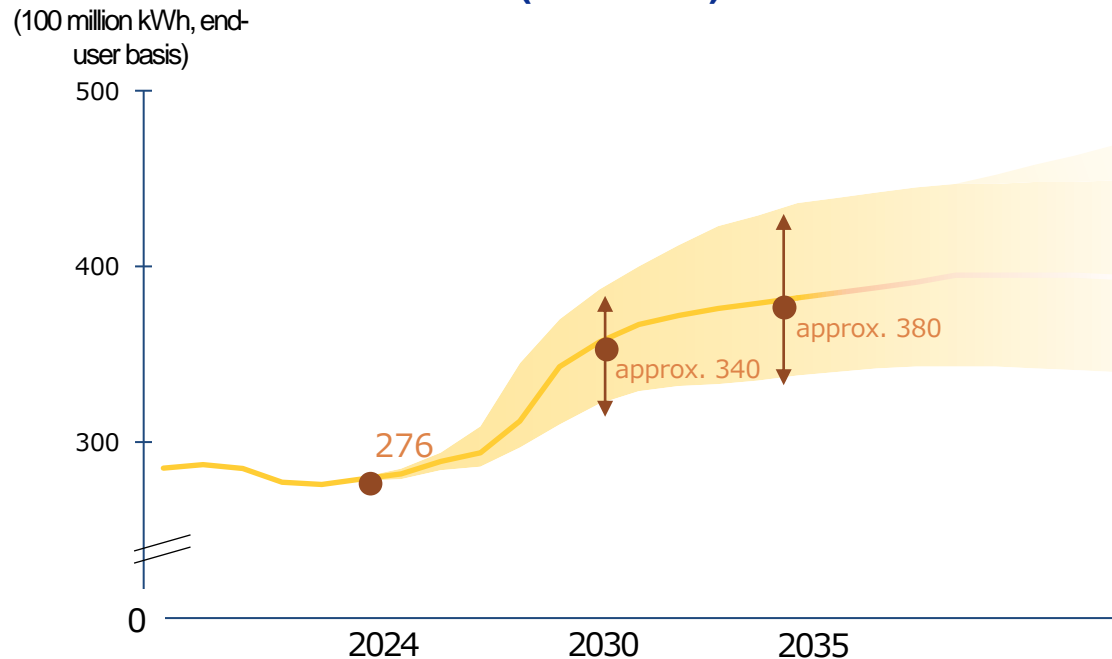
Renewable energy development related business (O & M)

- The HEPCO Group provides the following services related to renewable energy facilities.
 - Hokkai Electrical Construction Co., Inc.:** Design, construction, maintenance of electrical facilities, etc.
 - HOKUDEN SOGO SEKKEI Corporation:** Survey, design, diagnosis, construction management, etc.
 - Hokkaido Power Engineering Co., Inc.:** Maintenance of power generation facilities

Initiatives to Ensure Future Supply Capacity

- In anticipation of the possible increase in electricity demand in the medium to long term in the Hokkaido area, we are steadily preparing for the start operations of Units 2 and 3 the Ishikariwan Shinko Power Station (fuel type: LNG, planned output: 569,400 kW per unit, scheduled operation start date: Unit 2, FY2031; Unit 3, FY2034) We are also examining the potential for future fuel conversion to hydrogen as part of our efforts toward decarbonization.

Increase in Demand in the Hokkaido Area (Estimate)



Note: The above is a current estimate by the Hokkaido Electric Power Company.

Roadmap for the Start of Operations and Decarbonization of Unit 2 at the Ishikariwan Shinko Power Station

	FY2024 (Year in which bids were placed)	2020s	2030s	2040s	FY2051
Power source	Environmental assessment completed (2011–2014) Successful bid in auction for long-term decarbonized power source	Design, production, and construction work (2023–2030)	2035–2040 Successful bid in auction for long-term decarbonized power source starts operations FY2031 LNG-only operation	2045–2050 Successful bid in auction for long-term decarbonized power source starts operations 2040–2045 20–50% hydrogen mix operation	starts operations End of 2040s Hydrogen-only operation
Fuel				Blue hydrogen Green hydrogen	

Note: Including construction of hydrogen supply and storage facilities

Assumptions

- ✓ Appropriate investment recovery will be ensured through successful bids in the long-term decarbonized power source auction and application of fuel cost recovery mechanisms
- ✓ A hydrogen supply chain will be established, and a stable supply of hydrogen will be ensured in Japan and overseas from the latter half of the 2030s.
- ✓ By establishing technologies for hydrogen transport, storage, co-firing, and exclusive firing, and by securing land, equipment, materials, and workers, construction work toward decarbonization will be feasible from the latter half of the 2030s.

Note: We plan to post the above roadmap for Unit 3 of the Ishikariwan Shinko Power Plant on the homepage of the Organization for Cross-regional Coordination of Transmission Operators in July 2025.

■ Main Initiatives for FY2026 1. The Challenge of Realizing GX to Drive Hokkaido's Development

System development in anticipation of increased demand and expanded introduction of renewable energy

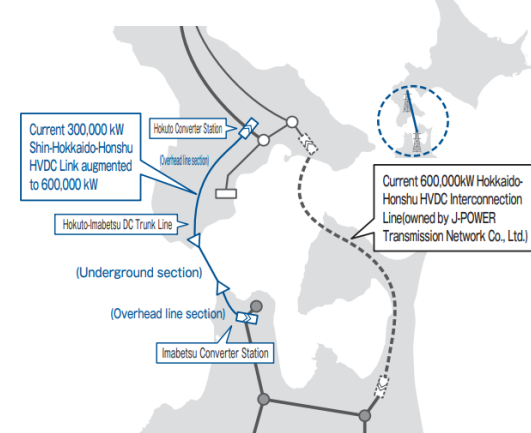
- **Hokkaido Electric Power Network, Inc.** will promote initiatives to build a next-generation power network with a focus on the medium - to long-term, including decarbonization by further expanding the introduction of renewable energy, strengthening resilience to avoid large-scale and long-lasting power outages, and appropriately responding to future trends such as the entry of large-scale demand.

* Since April 2020, the power transmission and distribution business has been conducted by Hokkaido Electric Power Network Co., Ltd., a wholly-owned subsidiary of the Company, from the perspective of enhancing neutrality.

Development and reinforcement of new interconnection lines

- ▶ On the same route as the current New North Sea Dohon Interstate Power System, we are proceeding with the construction of an additional 300000 kW of interconnected lines with the aim of commencing operation in March 2028. After the start of operation, we expect to further expand the introduction of renewable energy, strengthen resilience, and revitalize power trading over a wide area.

Outline of Route

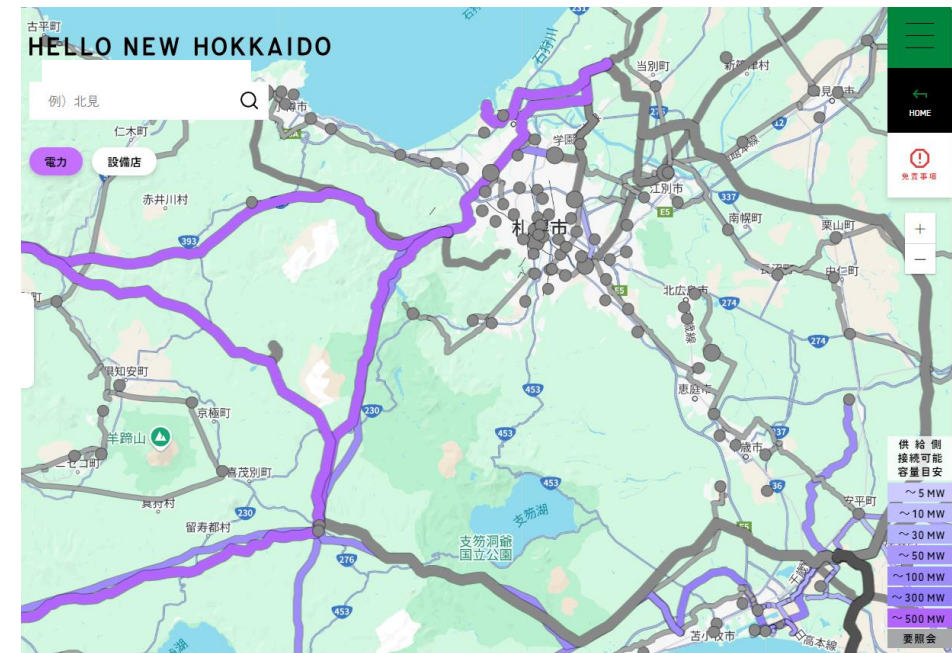


- ▶ In addition, based on the master plan *, we are working with other operators to examine implementation plans for the development of the Sea of Japan route connecting Hokkaido and Honshu.

※ A grand design for the development of a power transmission and distribution network that is designed by the Organization for the Promotion of Wide-Area Operations of Electric Power to respond to the transition to renewable energy as the main power source and the strengthening of energy supply.

Publish the Demand Welcome Zone Map

- ▶ In March 2025, we released the Welcome Zone Map, which contains information on system locations and demand-side free space. We will continue to enhance the content of the Welcome Zone Map to make it useful for companies entering the market.



※ The supply capacity is an estimate at the time of publication. For details, contact Hokkaido Electric Power Network Co., Inc., and use the supplier side connection preliminary examination.

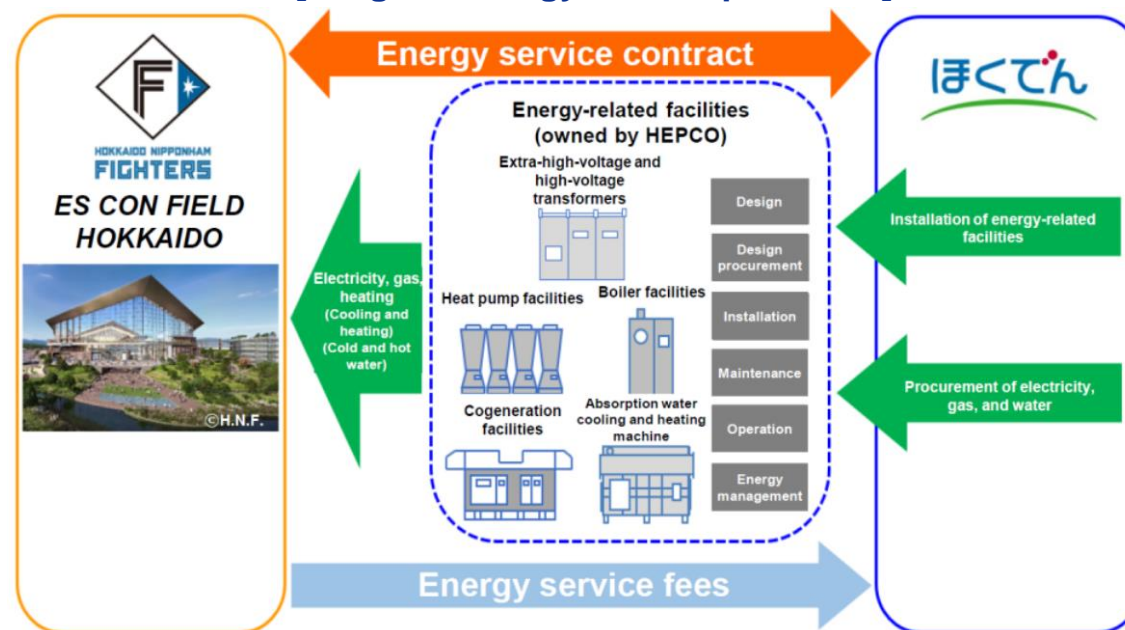
Providing services that help customers solve their problems

- We will win power contracts by providing services that meet the needs of our customers, including those in the corporate sector, such as the optimization of energy use and the use of renewable energy, and by contributing to the maximization of the value of our customers' businesses.

ESP (Energy Service Provider) Business

- By drawing on the technological capabilities and know-how possessed by Showa Shell and its Group companies, Showa Shell provides energy services that help customers save energy in their energy-related operations and reduce initial investment. Please refer to the following [website](#) for details.
- We provide a comprehensive package that includes the introduction of energy-saving and high-efficiency equipment such as heat pump equipment, energy procurement, and efficient equipment operation and maintenance management. This package has been adopted by ESCON FIELD HOKKAIDO and other facilities.

[Image of energy service provision]

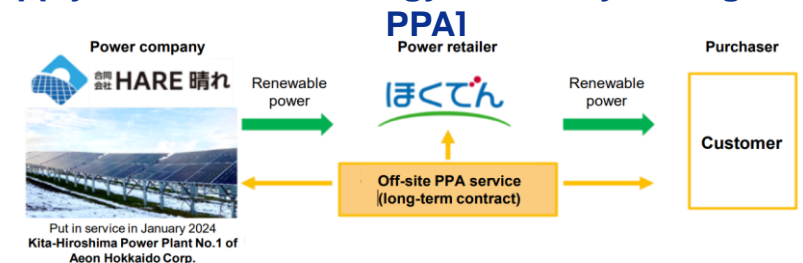


CN Solutions

- We provide solution services that utilize Hokkaido's abundant renewable energy value, such as PPA * and renewable energy aggregation.

* PPA: We own and install renewable energy power generation facilities inside and outside the customer's premises. Services provided to customers (Power Purchase Agreement)

[Supply of renewable energy electricity through off-site



CN Consulting

- At **HOKUDEN SOGO SEKKEI Corporation**, we provide consulting on the creation and utilization of J-Credit *, and propose the use of environmental value, energy-saving measures, and the introduction of renewable energy. Relate to customer CN realization Supporting Various Initiatives I do.



J-クレジット制度

* J-Credit: Refers to the amount of reductions and removals certified by the national government under the J-Credit System, which certifies reductions in greenhouse gas emissions and removals through the introduction of energy-saving equipment, etc.

Promotion of smart electrification, etc.

- We will contribute to customers' energy conservation and reduction of CO2 emissions by promoting smart electrification and ZEB (Net Zero Energy Building) consulting.
- "[Denpota](#)," a portal site operated by **HEPCO Service Co., Ltd.**, provides information on smart electrification in Hokkaido and other valuable information.

Promotion of smart electrification

- We offer a variety of services that enable customers to use energy-saving and comfortable smart electrification. These services include "Smart Electrification Lease" and "Furatto Solar," which allow customers to install heat pump equipment and solar power generation equipment without initial investment, and "Eco Replacement," which allows customers to switch from conventional all-electric appliances to heat pump equipment.



ほくでんの「ふらっとソーラー」は、戸建て住宅を新築されるお客さま向けに太陽光発電設備を初期費用のご負担なく設置・ご利用いただけるサービスです。

	従来のオール電化	スマート電化
給湯	電気温水器	エコキュート
暖房	蓄熱暖房器 電気ボイラー	ヒートポンプ温水暖房システム 寒冷地向けあったかエアコン
調理		IHクッキングヒーター

Next-generation standard energy-saving design (ZEB, ZEH-M)

- As a front-runner in ZEB consulting in Hokkaido, we work with **HOKUDEN SOGO SEKKEI Corporation** to provide fine-tuned support to our customers, from planning and design to post-completion energy usage analysis and operational improvements.
- HOKUDEN KOGYO Co., Ltd.** has increased its added value in real estate development by acquiring ZEB Ready * 1 and ZEH-M Oriented * 2.



Ena Square Odori Building
(ZEB Ready Acquisition)



Ena Grantz Yamahana Park
(ZEH-M Oriented Acquisition)

* 1 Buildings that comply with a primary energy consumption reduction of 50% or more from the standard primary energy consumption, excluding renewable energy, etc.

* 2 While satisfying the standard thermal insulation performance, excluding renewable energy, etc., this is a housing complex that conforms to a primary energy consumption reduction of 20% or more from the standard primary energy consumption of the entire building including common areas.

Reference Materials

HEPCO Group Management Targets

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

HEPCO Group will implement the initiatives set out in this vision to achieve the following management targets.

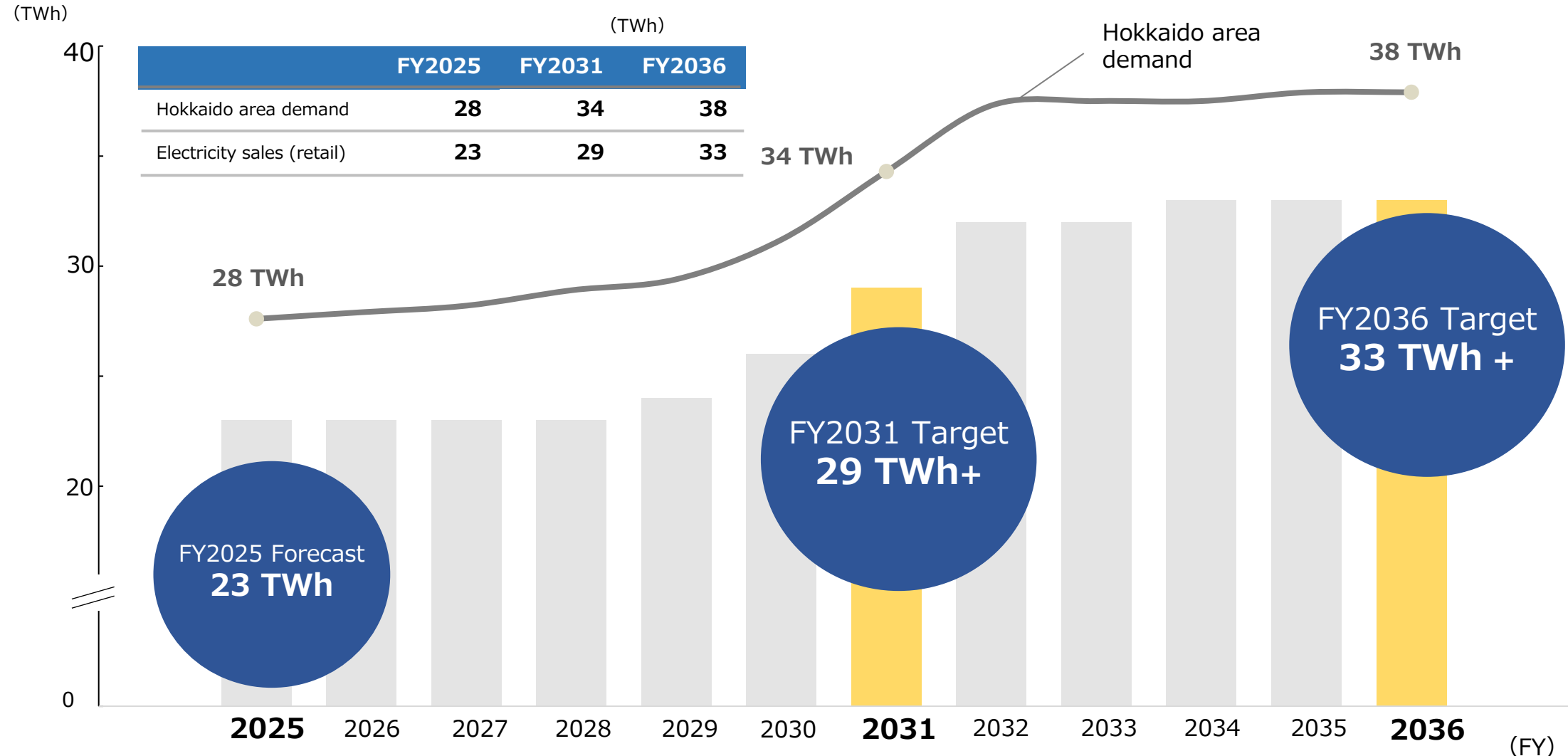
		Before restart of Tomari NPS Unit3	FY2031	FY2036
Electricity sales (retail)	p. 31	29 TWh +		33 TWh +
Reduction in GHG emissions	pp. 32, 33	Compared to FY2014: -46%		Compared to FY2014: -60%
Contribution to GHG reduction	pp. 32, 33	1.5 million tons		2.5 million tons
CN-related investment		About 400 billion yen (cumulative FY2026~FY2036)		
Renewable energy target (gross)		1,000 MW+ ※300 MW+ net		3,000 MW+ ※1,000 MW+ net
Ordinary income	p. 34	40 billion yen +	70 billion yen + ※	90 billion yen + ※
ROIC (WACC)	p. 34	3.0% + (about 2.2%)		3.5% + (about 2.4%)
ROE	p. 34		8% +	
Capital ratio	p. 35	20% +		25% + (Future target: 30%)
Debt-to-EBITDA ratio	p. 35	About 11		8 or lower
Dividends [Dividends on equity ratio(DOE)]	p. 36	Stable dividend using a guideline of 2% DOE (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.)		
Next-generation energy investment		About 250 billion yen (cumulative FY2026~FY2036)		
Human capital investment (added value/personnel expenditures)		—		Compared to FY2025: about 1.5 times
DX investment		About 30 billion yen (cumulative FY2026~FY2036)		

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

HEPCO Group Electricity Sales (Retail)

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

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



※The above figures are current estimates provided by HEPCO

HEPCO Group Environmental Targets

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

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

Environmental Targets

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

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

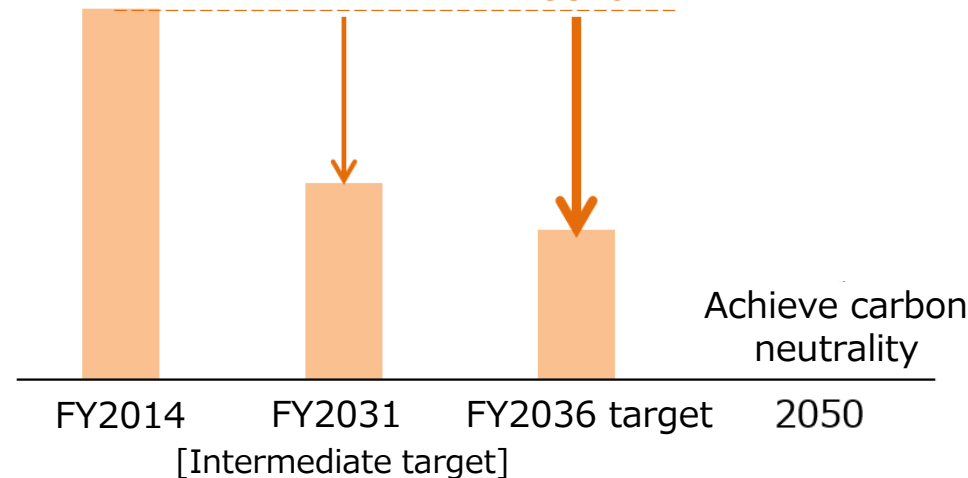
Reduction in greenhouse gas emissions

Scopes 1+2+3 ※1

24.82 million tons

-46%

-60%



Contribution to achieving carbon neutrality

FY2024

FY2031
[Intermediate target]

FY2036
target

70,000 tons

1.5 million tons

Reduction contribution ※2

2.5 million tons

※1:

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

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

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

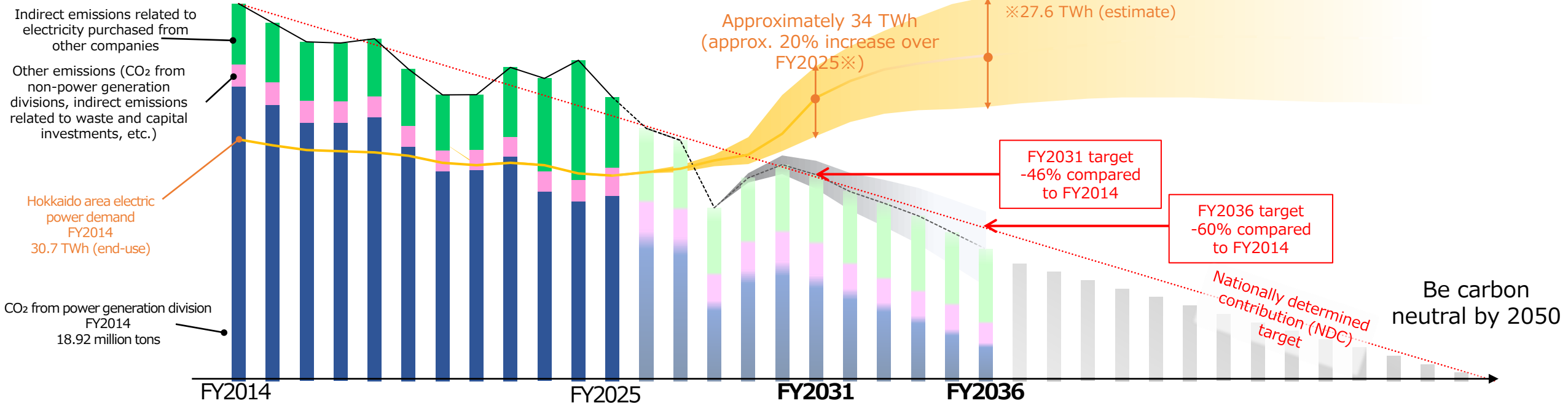
※2: The difference in greenhouse gas emissions between conventional products and services (baseline) and new products and services, quantifying the contribution to mitigating climate change (impact) across society with products and services.

Plan for Transitioning to Carbon Neutral

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

HEPCO Group will promote a steady transition to decarbonize so that we achieve our environmental targets.

HEPCO Group's Scope 1+2+3 FY2014: 24.82 million tons



Key initiatives for achieving carbon neutrality

Renewable energy buildout

As early as possible in 2027: Restart Tomari Unit 3

Early 2030s: Restart all units

FY2031: Start commercial operation of Ishikari Unit 2 (LNG), start ammonia co-firing in Tomato-Atsuma PS Unit 4, and launch CCS business

Late 2030s: start 50% ammonia co-firing in Tomato-Atsuma PS Unit 4

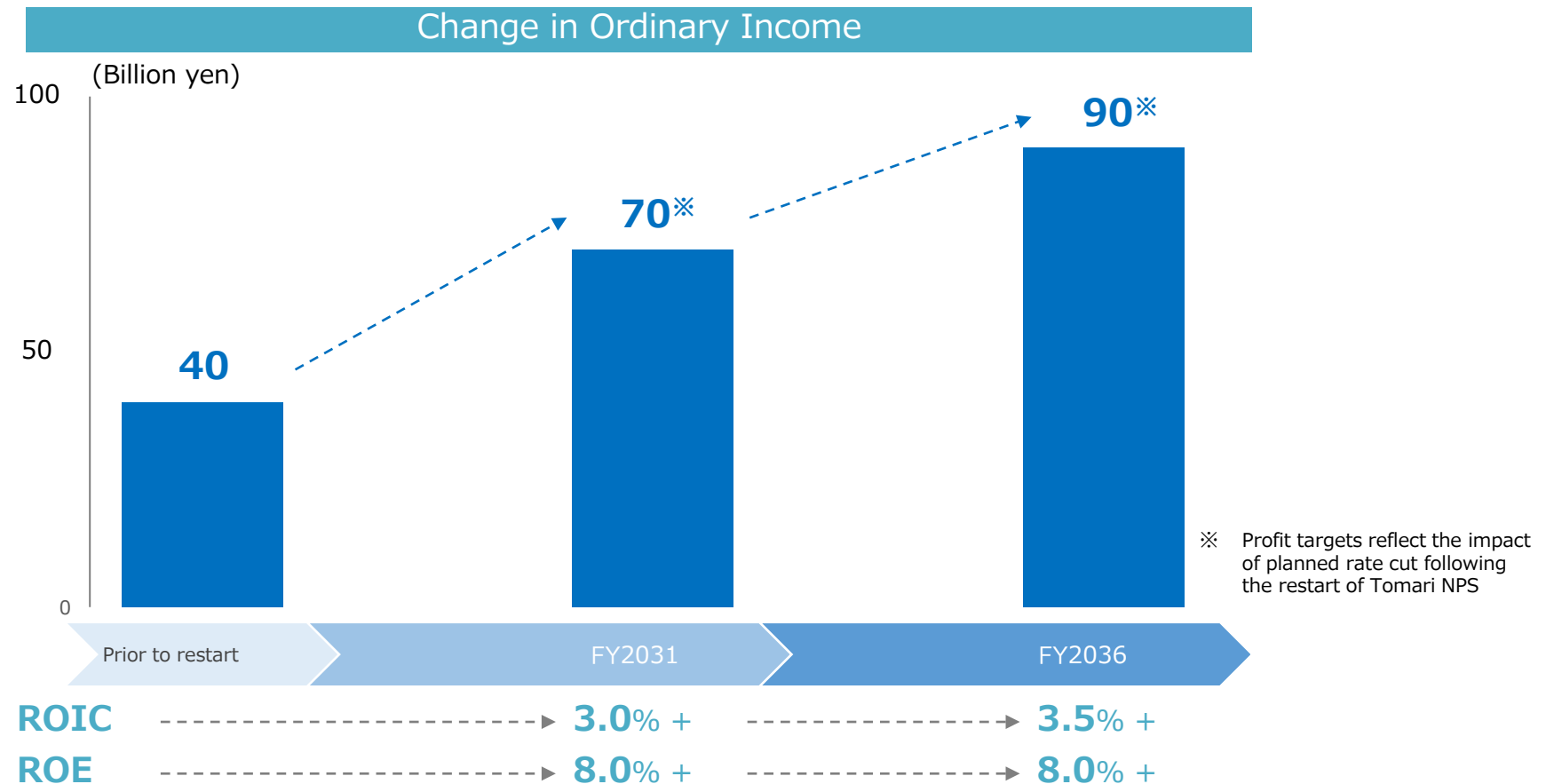
2040s: Ammonia single-fuel operation
Hydrogen co-firing ~ single-fuel operation

Ordinary Income, ROIC & ROE

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

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

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



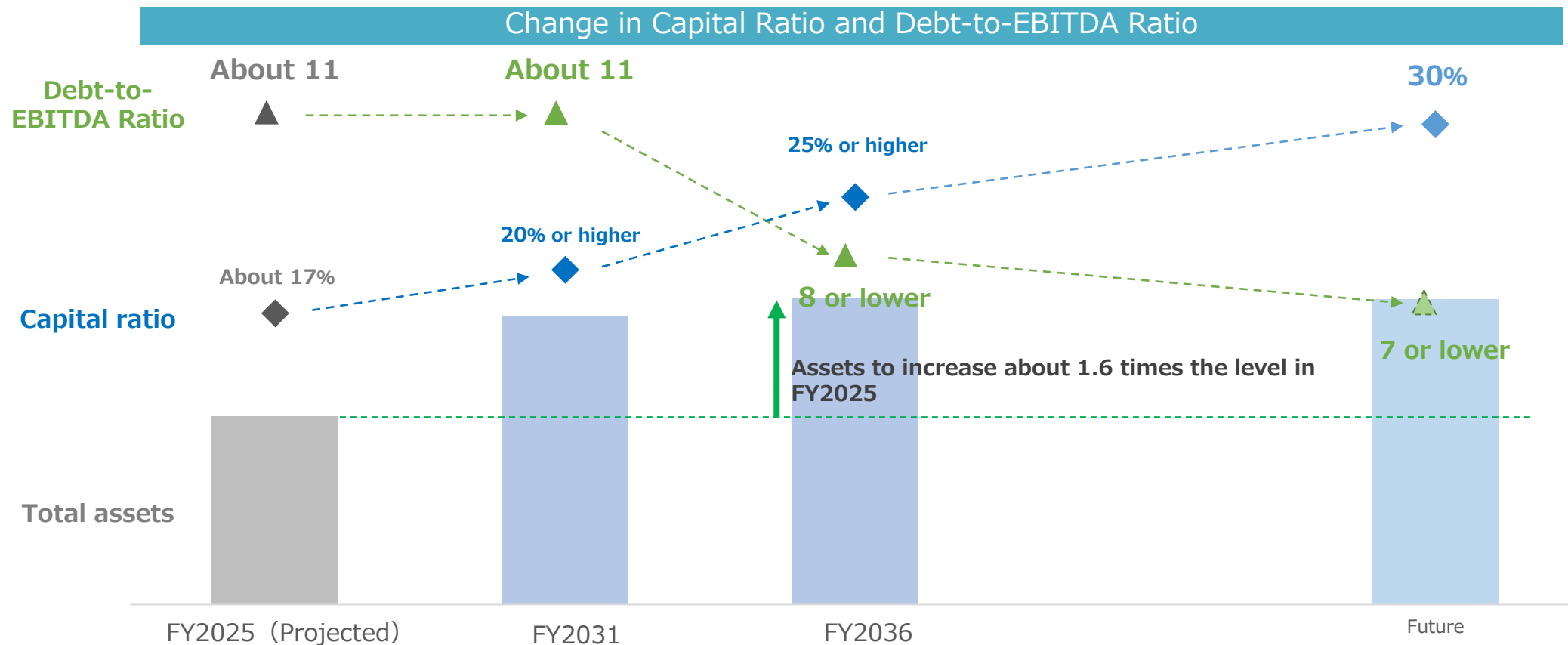
Capital Ratio & Debt-to-EBITDA Ratio

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

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

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

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



Shareholder Return Policy

HEPCO Group Management Vision 2035
(Announced on March 26, with some revisions)

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) Ordinary Income / ROIC

HEPCO Group Management Vision 2035 Briefing
for analysts and institutional investors
(Conduct a meeting on April 2, 2025)

Ordinary Income

(Billion yen)

	2024 (Forecast)	Prior to restart	2030	2035
Company- wide	43	40	70	90
(Repost) H D	(34)	(28)	(53)	(70)
(Repost) NW	(1)	(4)	(9)	(10)

※2024 (Forecast) is based on the earnings forecast announced on January 31, 2025.

ROIC

(%)

	2024 (Forecast)	2030	2035
Company- wide	2.3	3.0	3.5
(Repost) H D	(2.6)	(3.2)	(4.0)
(Repost) NW	(0.5)	(2.0)	(2.3)

※ROIC=NOPAT/(Interest-bearing debt + Shareholders' equity)

(REF) Capital Allocation

2025-30 Cumulative total (6 years)

1,660 Billion yen

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

Cash **IN**

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

Cash **OUT**

2025-35 Cumulative total (11 years)

2,550 Billion yen

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

Cash **IN**

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

Cash **OUT**

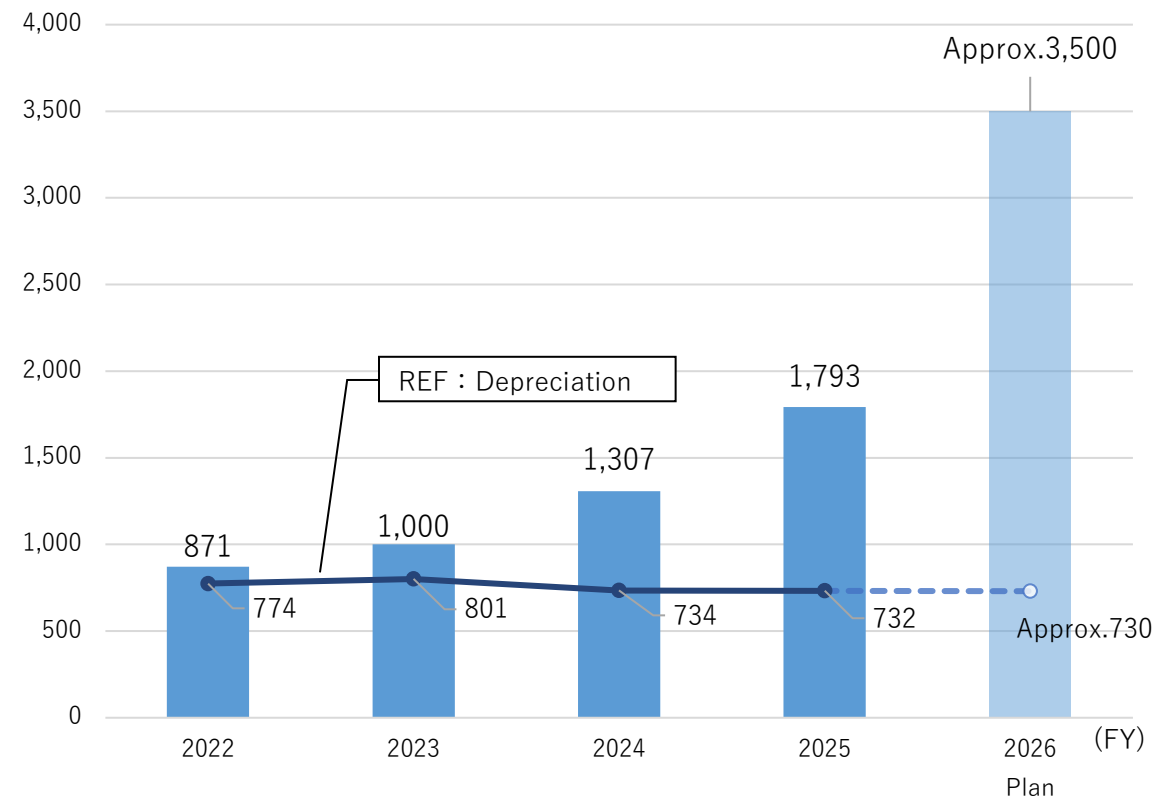
*1 Dividends: For common stock, calculated based on 2% DOE. Preferred shares are calculated based on the current Articles of Incorporation.

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

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

Capital Investment

(100 million yen)

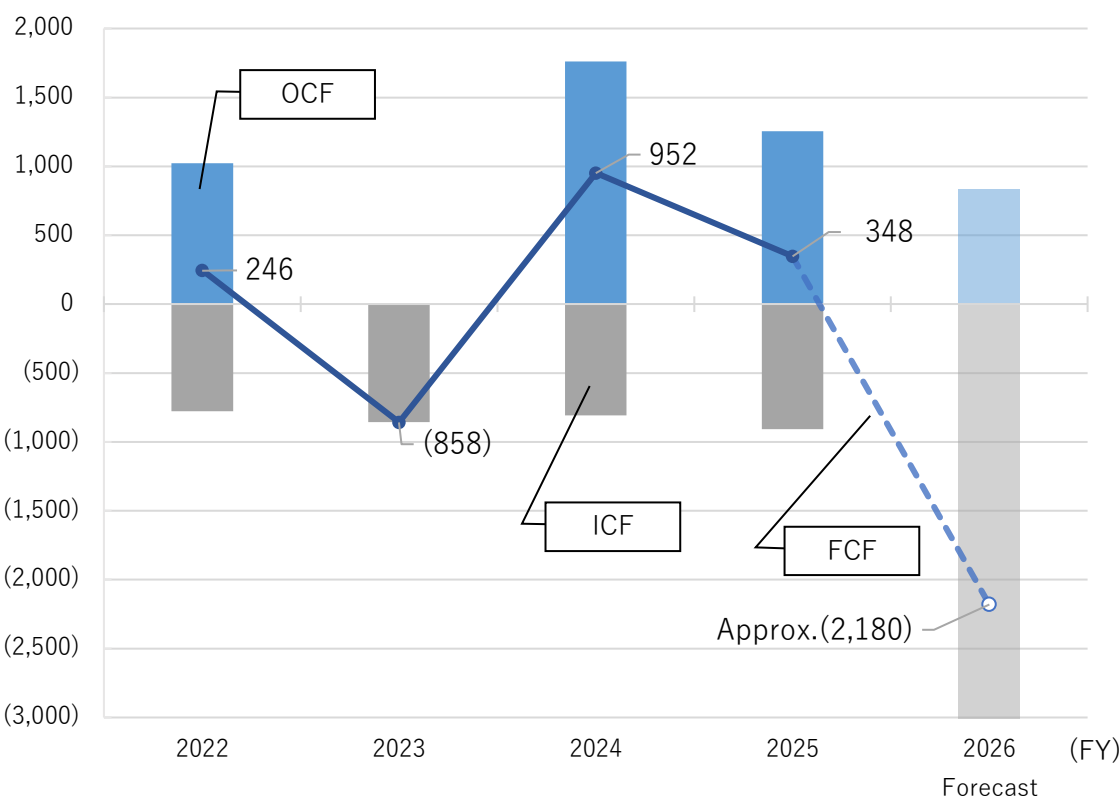


(Unit: 100 million yen, approx. 100 million yen)

		FY2022	FY2023	FY2024	FY2025	FY2026 Plan
Capital investment amount	HD	404	507	707	1,012	2,500
	NW	391	409	462	668	800
	Other	75	83	137	112	200
	Total	871	1,000	1,307	1,793	3,500

Consolidated Cash Flow

(100 million yen)



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

	FY2022	FY2023	FY2024	FY2025	FY2026 Forecasts
OCF	1,023	(5)	1,761	1,255	830
ICF	(777)	(852)	(808)	(907)	(3,010)
FCF	246	(858)	952	348	(2,180)

(Million kWh)

					FY2024					FY2025
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Low voltage	2,719	2,657	2,811	4,149	12,336	2,739	2,580	2,768	4,066	12,153
High-voltage and extra high-voltage	3,531	3,990	3,968	4,332	15,822	3,498	3,952	4,028	4,217	15,695
Total	6,250	6,648	6,779	8,481	28,158	6,237	6,532	6,796	8,283	27,848

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

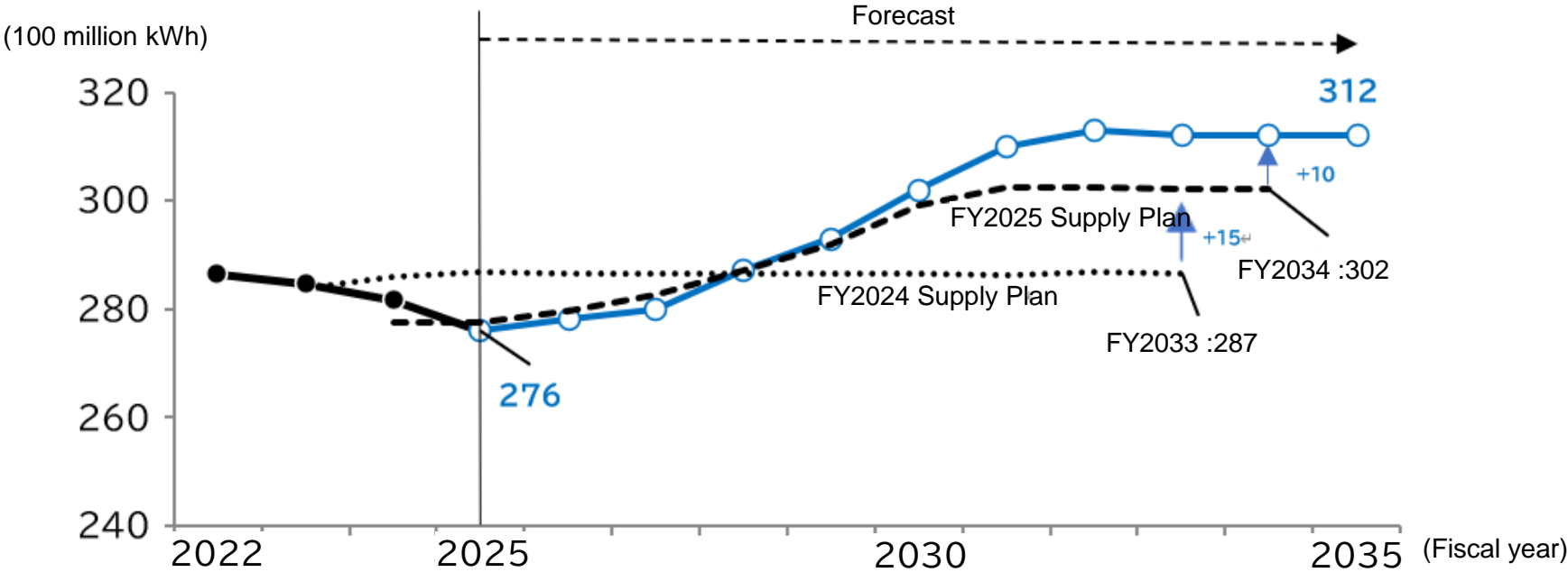
Reference: Last 10 years

(Million kWh)

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

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

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



		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
		Est. Results	Forecast									
Maximum electricity demand 10,000 kW		501 [0]	502 [-1]	503 [-5]	513 [-2]	517 [-2]	529 [+3]	539 [+10]	540 [+11]	539 [+10]	539 [+11]	538
Area electricity demand 100 million kWh		276 [-1]	278 [-1]	280 [-3]	287 [-1]	293 [+1]	302 [+3]	310 [+8]	313 [+10]	312 [+10]	312 [+10]	312
Reprint	Household, etc.	121	121	119	119	118	117	116	115	114	113	113
	Business	78	78	79	79	80	80	80	81	81	81	81
	Industrial	77	79	82	89	95	105	114	117	117	118	118

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

Quarter Results

					FY2024					FY2025
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Low voltage	79.4%	77.1%	79.3%	82.6%	80.0%	79.6%	76.3%	77.9%	80.6%	78.9%
High-voltage and extra high-voltage	89.0%	87.3%	87.0%	86.6%	87.4%	84.8%	83.5%	84.0%	83.9%	84.0%
Total	84.7%	83.1%	83.8%	84.6%	84.1%	82.5%	80.6%	81.5%	82.3%	81.7%

Fiscal Year Results

	FY2021	FY2022	FY2023	FY2024	FY2025
Low voltage	83.1%	80.3%	79.4%	80.0%	78.9%
High-voltage and extra high-voltage	76.8%	74.6%	86.6%	87.4%	84.0%
Total	79.7%	77.2%	83.3%	84.1%	81.7%

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

(...) indicates the previously announced plan

	Power plant	Output (10,000kW)	Date for start of construction	Launch operations/termination date
Under construction	Kyogoku Unit No. 3 (hydraulic pump)	20	September 2001	FY2036 and thereafter (FY2035 and thereafter)
Under preparation to start construction	Shinko, Ishikari-wan, Unit 2 (LNG thermal)	56.94	May 2027	March 2031 (Scheduled of FY2031)
	Shinko, Ishikari-wan, Unit 3 (LNG thermal)	56.94	May 2030 (March 2034)	FY2034 (December 2037)
Terminate	Naie Units 1 and 2 (coal-fired power)	-35 (17.5 × 2 units)	-	March 2027
	Sunagawa Units 3 and 4 (coal-fired power)	-25 (12.5 × 2 units)	-	March 2027
	Onbetsu Units 1 and 2 (oil-fired power)	-14.8 (-7.4 × 2 units)	-	Pending

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

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

Date	Topic	Related slide
March 14, 2025	Tomari Nuclear Power Plant Unit 3: An amendment submitted for the Application for Approval of Changes to the Nuclear Reactor Installation in response to the enforcement of the new regulatory standards [HD]	P 36
March 26, 2025	HEPCO Group Management Vision 2035—For Business Growth Through GX and Advancing Hokkaido's Development [HD]	P 43 - 51
March 27, 2025	Issuance of transition bonds [HD]	—
April 7, 2025	Tomari Nuclear Power Plant Unit 3: An amendment submitted for the Application for Approval of Changes to the Nuclear Reactor Installation in response to the enforcement of the new regulatory standards [HD]	P 36
April 11, 2025	Offering of HEPCO's 401st and 402nd corporate bonds (3rd and 4th HEPCO transition bonds) [HD]	—
April 24, 2025	Amendment to the consolidated financial forecasts for fiscal 2024 [HD]	—
April 28, 2025	Successful bidding at the fiscal 2024 auction of long-term decarbonized power sources [HD]	P 57
April 28, 2025	Receipt of the Collection of Report pursuant to the provisions of the Electricity Business Act [HD] [NW]	—

This material is compiled based on data available as of May 8, 2025. The company makes no guarantee as to the reliability and integrity of such information, as this is not intended to serve as disclosure material as stipulated by the Financial Instruments and Exchange Law of Japan. Projections concerning future performance in this material make no guarantee as to the future performance and contain risk and uncertainty. Please note that future performance can change according to the change of preconditions concerning the management environment. The information herein is for the purpose of disclosure of operating information. None of the information is intended to solicit or induce investors to invest in our securities. Those wishing to use this material should do so at their own judgment and be sure to verify the information obtained from other sources. Our company assumes no responsibility for any damages resulting from the use of this material.

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/>