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February 12, 2026

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Representative: Susumu SAITO, Representative Director & Chief Executive Officer
(Securities code: 9509)
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Notice Regarding Issuance of Zero Coupon Convertible Bonds due 2031

Hokkaido Electric Power Company, Incorporated (the "Company") hereby announces the proposed issuance of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the "Bonds with Stock Acquisition Rights") pursuant to a resolution of the Board of Directors as of February 12, 2026.

Background of the Issuance of the Bonds with Stock Acquisition Rights

The Company believes that, in order to advance various initiatives toward energy decarbonization and supply stabilization, and to support the development of Hokkaido and growth of the HEPCO Group, it is necessary to strengthen its financial base, diversify its financing methods, and procure funds at a low-cost. Therefore, the Company resolved to issue the Bonds with Stock Acquisition Rights, which are expected to minimize funding costs through a zero-coupon structure.

Use of Proceeds

The net proceeds from the issue of the Bonds with Stock Acquisition Rights are estimated to amount to approximately ¥40 billion, and are expected to be used by the Company by the end of March 2028 as follows:

Note: This press release does not constitute an offer of or any solicitation to purchase or subscribe for any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding Hokkaido Electric Power Company, Incorporated's (the "Company") issuance of bonds with stock acquisition Rights, and has not been prepared for the purpose of soliciting investment or purchase within or outside Japan. This press release does not constitute or form a part of an offer or any solicitation to purchase or subscribe for securities in the United States. The bonds with stock acquisition rights and the shares of common stock of the Company issuable upon exercise of the stock acquisition rights (together, the "Securities") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. In the event of a public offering of the Securities in the United States, such offering would be made by means of a prospectus in English containing detailed information about the Company and its management as well as its financial statements. However, no public offering of the Securities is being made in the United States.

- approximately ¥31 billion, as investment funds in connection with the acquisition of gas production business, gas sales business and pipeline business in the Hokkaido region acquired from Japan Petroleum Exploration Co., Ltd. (JAPEX), pursuant to the execution of the relevant agreements announced on December 3, 2025; and
- approximately ¥9 billion, as part of investment funds for next-generation energy solutions, including hydrogen, ammonia, e-methane and CCUS businesses, as set out in the HEPCO Group Management Vision 2035.

Issuance of the Bonds with Stock Acquisition Rights

1. Securities Offered	¥40,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)
2. Issue Price	100.0%
3. Closing Date	March 2, 2026
4. Coupon	0%
5. Redemption at Maturity	100.0%

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