



October 31, 2025

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Notice Regarding Revision to Dividend Policy, Dividends of Surplus (Interim Dividends), and Revision to Year-end Dividend Forecast (Dividend Increase)

HOKKAIDO GAS CO., LTD. (the “Company”) hereby announces that, at a meeting of its Board of Directors held on October 31, 2025, it has resolved to revise its dividend policy, distribute dividends of surplus (interim dividends), and revise (increase) its year-end dividend forecast, as described below.

1. Revision to dividend policy

(1) Details of revision

(Before revision) With respect to dividends of surplus, the Company maintains a basic policy of providing dividends in a continuous and stable manner.

The company is required to continuously invest in future growth, including the development of information platform infrastructure, expansion of renewable energy adoption, and technological development. In addition, the recent global political and economic situation has made it imperative to reduce interest-bearing debt, etc. The company has set a target consolidated dividend payout ratio of 30% and will continue to strive for an appropriate return of profits to shareholders.

(After revision) As a company supporting the infrastructure of the community, the Company needs to make long-term and large-scale capital investments to maintain and expand the safe and stable supply of energy and make investments in demand and technology development, with an objective of ensuring the sound maintenance and growth of the business.

The Company is also required to provide benefits to customers and contributions to the local community in light of its close relations with local society and economy.

In addition, the Company recognizes the importance of investing in initiatives, such as expanding the adoption of renewable energy and promoting DX, as well as securing personnel.

Taking these circumstances into account, the Company will set a target DOE (consolidated dividend on equity ratio(*)) of 2.5% under a policy centered on progressive dividends with a mind to continuously provide stable dividends while striving to maintain financial soundness.

(*) Consolidated dividend on equity ratio: The ratio of dividend on shareholders' equity on the consolidated balance sheet

(2) Reason for revision

With the city gas business at the core of its energy supply operations, the Company engages in businesses that are closely tied to the community and substantially benefit the public as a company supporting the infrastructure of the community.

This means that to ensure sound business operation, it is necessary for the Company to make long-term and large-scale investments primarily in the maintenance and management as well as new construction of infrastructure facilities, which provide a basis for the safe and stable supply of energy, and to make continuous investments in demand and technology development.

As the Company's business is closely related to local society and economy, it is also necessary to provide benefits to customers and contributions to the local community.

Furthermore, in order to respond to changes in society, such as growing social demand for carbon neutrality and the rapid advancement of AI and other digital technologies, it is important to make continuous investments in various initiatives, including expanding the adoption of renewable energy and promoting DX, and to secure personnel.

Taking all of these factors into account, the Company has decided to revise its dividend policy to one based on progressive dividends with a target DOE, with a mind to continuously provide stable dividends regardless of changes in the profit level owing to policy implementation in the future.

(3) Effective date of the revision

The revised dividend policy will take effect from the fiscal year ending March 31, 2026.

2. Decision on interim dividend and revision to year-end dividend forecast

(1) Details of dividends of surplus (interim dividend)

	Decided amount	Most recent forecast (April 28, 2025)	Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)
Record date	September 30, 2025	September 30, 2025	September 30, 2024
Dividend per share	¥11.50	¥10.00	¥9.00*
Total dividend amount	¥1,014 million	—	¥793 million
Effective date	December 1, 2025	—	December 2, 2024
Source of dividends	Retained Earnings	—	Retained Earnings

(2) Details of revision to year-end dividend forecast

	Dividend per share		
Record date	Second quarter-end	Fiscal year-end	Annual
Previous forecasts		¥10.00	¥20.00
Revised forecasts		¥11.50	¥23.00
Actual results for the current fiscal year	¥11.50		
Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)	¥9.00*	¥10.00	¥19.00

* The Company conducted a 5-for-1 stock split with an effective date of October 1, 2024. The figures shown above are the adjusted dividends per share.

(3) Reasons

Under the new dividend policy described in "1. Revision to dividend policy" above, and taking into account the financial results for the second quarter as well as the outlook for the full-year performance, the Company has decided to revise the second quarter-end dividend to ¥11.50 per

share, an increase of ¥1.50 from the previously announced forecast. The year-end dividend forecast has also been revised to ¥11.50 per share, an increase of ¥1.50. As a result, the total annual dividend is expected to increase by ¥3.00 per share, to ¥23.00 per share.