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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 26, 2022

Company name: Hokkaido Electric Power Company, Incorporated
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9509
 URL: <https://www.hepco.co.jp/>
 Representative: Yutaka FUJII President and Director
 Contact: Takafumi ISONO Manager, Accounting & Finance Dept.
 Phone: 011-251-1111
 Scheduled date of filing quarterly securities report: November 11, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	386,853	41.5	(985)	-	(1,070)	-	(1,612)	-
September 30, 2021	273,469	6.3	27,118	(19.1)	22,703	(18.7)	17,481	(27.6)

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ (1,433) million [-%]
 Six months ended September 30, 2021: ¥ 16,820 million [(34.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2022	Yen (11.29)	Yen -
September 30, 2021	81.71	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2022	Million yen 2,075,698	Million yen 281,369	%
March 31, 2022	1,992,879	285,717	13.7

(Reference) Equity: As of September 30, 2022: ¥ 268,395 million
 As of March 31, 2022: ¥ 272,647 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) The year-end dividend forecast for the fiscal year ending March 31, 2023 has not yet been determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	970,000	46.2	(64,000)	-	(70,000)	-	(71,000)	-	(352.68)

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 215,291,912 shares

March 31, 2022: 215,291,912 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 9,979,393 shares

March 31, 2022: 9,978,385 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 205,312,864 shares

Six months ended September 30, 2021: 205,318,360 shares

* This summary report is not subject to audit.

* Given that the forecasts above were made on the basis of information available at the time of the release of this document, the actual result may vary from the forecast data due to various factors.

Dividends for preferred stock

The breakdown of dividend per preferred stock which differs in shareholders' rights from common stock is as follows.

Class B preferred stock	Cash dividends per share				
	1st quarter-end	2st quarter-end	3st quarter-end	Year-ended	Total
Fiscal year ended March 31, 2022	Yen —	Yen 1,500,000.00	Yen —	Yen 1,500,000.00	Yen 3,000,000.00
Fiscal year ending March 31, 2023	—	0.00			
Fiscal year ending March 31, 2023 (Forecast)			—	—	—

(Note) Changes of the forecasts of the cash dividends per share from the latest release: None

(Note) The year-end dividend forecast for the fiscal year ending March 31, 2023 has not yet been determined.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Non-current assets	1,763,847	1,757,292
Electric utility plant and equipment	1,163,594	1,157,595
Hydroelectric power production facilities	202,852	204,150
Thermal power production facilities	187,553	187,976
Nuclear power production facilities	148,664	141,237
Transmission facilities	179,494	178,683
Transformation facilities	105,698	108,110
Distribution facilities	292,648	292,775
General facilities	40,363	38,597
Other electric utility plant and equipment	6,318	6,064
Other non-current assets	57,530	55,300
Construction in progress	183,841	185,382
Construction in progress	166,238	167,086
Retirement in progress	146	839
Special account related to reprocessing of spent nuclear fuel	17,456	17,456
Nuclear fuel	235,193	226,366
Nuclear fuel in processing	235,193	226,366
Investments and other assets	123,685	132,648
Long-term investments	57,104	63,365
Retirement benefit asset	17,265	17,775
Deferred tax assets	40,840	41,035
Other	14,160	13,839
Allowance for doubtful accounts	(5,686)	(3,367)
Current assets	229,031	318,405
Cash and deposits	88,894	94,279
Notes and accounts receivable - trade, and contract assets	71,449	85,471
Inventories	37,084	87,847
Other	32,317	51,744
Allowance for doubtful accounts	(714)	(937)
Total	1,992,879	2,075,698

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities and net assets		
Liabilities		
Non-current liabilities	1,378,184	1,377,267
Bonds payable	710,000	714,600
Long-term borrowings	512,453	506,141
Retirement benefit liability	37,040	36,927
Asset retirement obligations	108,388	109,634
Other	10,302	9,963
Current liabilities	327,329	415,110
Current portion of non-current liabilities	118,105	148,131
Short-term borrowings	44,500	44,500
Commercial papers	-	59,000
Notes and accounts payable - trade	60,167	68,846
Accrued taxes	8,405	11,315
Other	96,151	83,317
Reserves under special laws	1,647	1,950
Reserve for water shortage	1,647	1,950
Total liabilities	1,707,161	1,794,328
Net assets		
Shareholders' equity	273,867	269,493
Share capital	114,291	114,291
Capital surplus	47,348	47,348
Retained earnings	130,094	125,720
Treasury shares	(17,867)	(17,867)
Accumulated other comprehensive income	(1,219)	(1,097)
Valuation difference on available-for-sale securities	1,517	993
Deferred gains or losses on hedges	-	285
Remeasurements of defined benefit plans	(2,736)	(2,377)
Non-controlling interests	13,069	12,973
Total net assets	285,717	281,369
Total	1,992,879	2,075,698

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Operating revenue	273,469	386,853
Electric utility operating revenue	255,119	362,740
Other business operating revenue	18,349	24,113
Operating expenses	246,351	387,839
Electric utility operating expenses	230,032	366,345
Other business operating expenses	16,318	21,494
Operating profit (loss)	27,118	(985)
Non-operating income	3,015	5,255
Dividend income	417	395
Interest income	8	42
Gain on sale of nuclear fuel	-	2,437
Reversal of allowance for doubtful accounts	1,709	1,389
Share of profit of entities accounted for using equity method	-	46
Other	879	943
Non-operating expenses	7,430	5,339
Interest expenses	4,778	4,671
Share of loss of entities accounted for using equity method	104	-
Other	2,548	668
Total ordinary revenue	276,485	392,109
Total ordinary expenses	253,781	393,179
Ordinary profit (loss)	22,703	(1,070)
Provision or reversal of reserve for water shortage	(294)	303
Provision of reserve for water shortage	-	303
Reversal of reserve for water shortage	(294)	-
Profit (loss) before income taxes	22,997	(1,373)
Income taxes - current	2,751	427
Income taxes - deferred	2,605	(208)
Total income taxes	5,357	218
Profit (loss)	17,640	(1,592)
Profit attributable to non-controlling interests	158	19
Profit (loss) attributable to owners of parent	17,481	(1,612)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit (loss)	17,640	(1,592)
Other comprehensive income		
Valuation difference on available-for-sale securities	(920)	(498)
Deferred gains or losses on hedges	5	285
Remeasurements of defined benefit plans, net of tax	94	372
Total other comprehensive income	(820)	159
Comprehensive income	16,820	(1,433)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,621	(1,489)
Comprehensive income attributable to non-controlling interests	198	56

Notes on Consolidated Financial Statements

(Note on the premise of going concern)

Not applicable

(Note regarding the case of material fluctuation in shareholders' equity occurs)

Not applicable

Note: The information shown above is an English translation of the "Financial Release for the Six Months Ended October 26, 2022" which was filed with stock exchanges (Tokyo and Sapporo) on the date shown above. Be advised that the Japanese version (the original) shall prevail if in any case a discrepancy arises between the original and the English translation.