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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 28, 2023

Company name: Hokkaido Electric Power Company, Incorporated
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9509
 URL: <https://www.hepco.co.jp/>
 Representative: Susumu SAITOU President and Director
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 Scheduled date of filing quarterly securities report: August 10, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

I. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	227,791	29.4	49,426	278.3	47,549	273.0	34,605	231.5
June 30, 2022	176,029	37.4	13,067	(21.8)	12,749	(7.0)	10,438	8.1

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 35,590 million [252.1%]
 Three months ended June 30, 2022: ¥ 10,109 million [21.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2023	Yen 166.79	Yen -
June 30, 2022	49.13	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of June 30, 2023	Millions of yen 2,116,141	Millions of yen 293,543	% 13.3
March 31, 2023	2,093,339	258,106	11.7

(Reference) Equity: As of June 30, 2023: ¥ 280,398 million
 As of March 31, 2023: ¥ 244,815 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, 2023	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		-	-	-	-

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

(Note) The interim and year-end dividend forecasts for the fiscal year ending March 31, 2024 have not yet been determined.

Dividends mentioned the above is regarding common stock. Regarding preferred stock which differ in shareholders' rights from common stock see "Dividends for preferred stock".

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	977,000	9.9	45,000	-	32,000	-	27,000	-	124.44

(Note) Revision to the financial results forecast announced most recently: Yes

(Note) Please refer to "Consolidated Earnings Forecast for FY2023" on page 4 and "Summary of Revisions to Consolidated Earnings Forecast for FY2023" on page 5 of the "Financial Results for the Frist Quarter of FY2023 (April-June)" released today (July 28, 2023) for the revision of the consolidated earnings forecast.

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(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):

June 30, 2023: 215,291,912 shares

March 31, 2023: 215,291,912 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 9,983,022 shares

March 31, 2023: 9,981,780 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 205,309,391 shares

Three months ended June 30, 2022: 205,312,708 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
	Yen	Yen	Yen	Yen	Yen
April 1, 2022 – March 31, 2023	—	0.00	—	0.00	0.00
April 1, 2023 – March 31, 2024	—				
April 1, 2023 – March 31, 2024 (Forecast)		—	—	—	—

(Note) Changes of the forecasts of the cash dividends per share from the latest release: No

(Note) The interim and year-end dividend forecasts for the fiscal year ending March 31, 2024 have not yet been determined.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Non-current assets	1,761,374	1,754,026
Electric utility plant and equipment	1,147,235	1,139,391
Hydroelectric power production facilities	205,222	203,006
Thermal power production facilities	182,564	179,576
Nuclear power production facilities	135,707	133,845
Transmission facilities	177,122	176,494
Transformation facilities	105,107	104,580
Distribution facilities	297,060	296,385
General facilities	38,095	37,752
Other electric utility plant and equipment	6,354	7,750
Other non-current assets	59,767	60,580
Construction in progress	190,294	194,821
Construction in progress	169,148	173,533
Retirement in progress	198	339
Special account related to reprocessing of spent nuclear fuel	20,947	20,947
Nuclear fuel	208,055	196,877
Nuclear fuel in processing	208,055	196,877
Investments and other assets	156,021	162,356
Long-term investments	83,439	96,948
Retirement benefit asset	14,076	14,315
Deferred tax assets	47,572	40,247
Other	14,250	14,128
Allowance for doubtful accounts	(3,317)	(3,283)
Current assets	331,964	362,114
Cash and deposits	89,867	96,099
Notes and accounts receivable - trade, and contract assets	91,465	83,536
Inventories	92,122	88,781
Other	60,297	95,298
Allowance for doubtful accounts	(1,788)	(1,601)
Total	2,093,339	2,116,141

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and net assets		
Liabilities		
Non-current liabilities	1,421,993	1,408,573
Bonds payable	753,500	748,500
Long-term borrowings	510,648	501,929
Retirement benefit liability	35,929	35,828
Asset retirement obligations	112,599	113,246
Other	9,315	9,069
Current liabilities	411,047	411,804
Current portion of non-current liabilities	167,800	194,310
Short-term borrowings	44,500	44,500
Commercial papers	-	10,000
Notes and accounts payable - trade	84,732	69,248
Accrued taxes	8,960	24,292
Other	105,054	69,453
Reserves under special laws	2,192	2,219
Reserve for water shortage	2,192	2,219
Total liabilities	1,835,233	1,822,597
Net assets		
Shareholders' equity	248,911	283,516
Share capital	114,291	114,291
Capital surplus	47,348	47,348
Retained earnings	105,139	139,745
Treasury shares	(17,868)	(17,869)
Accumulated other comprehensive income	(4,095)	(3,117)
Valuation difference on available-for-sale securities	2,264	3,076
Deferred gains or losses on hedges	(1,831)	(1,991)
Remeasurements of defined benefit plans	(4,528)	(4,202)
Non-controlling interests	13,291	13,144
Total net assets	258,106	293,543
Total	2,093,339	2,116,141

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Operating revenue	176,029	227,791
Electric utility operating revenue	166,209	218,212
Other business operating revenue	9,820	9,579
Operating expenses	162,962	178,365
Electric utility operating expenses	154,326	170,163
Other business operating expenses	8,635	8,201
Operating profit	13,067	49,426
Non-operating income	2,474	1,181
Dividend income	359	412
Interest income	4	3
Gain on sale of nuclear fuel	1,466	-
Other	644	765
Non-operating expenses	2,793	3,058
Interest expenses	2,318	2,555
Share of loss of entities accounted for using equity method	95	78
Other	378	424
Total ordinary revenue	178,504	228,973
Total ordinary expenses	165,755	181,423
Ordinary profit	12,749	47,549
Provision or reversal of reserve for water shortage	6	27
Provision of reserve for water shortage	6	27
Profit before income taxes	12,742	47,522
Income taxes - current	1,213	6,014
Income taxes - deferred	1,163	6,944
Total income taxes	2,377	12,958
Profit	10,365	34,563
Loss attributable to non-controlling interests	(73)	(41)
Profit attributable to owners of parent	10,438	34,605

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	10,365	34,563
Other comprehensive income		
Valuation difference on available-for-sale securities	(442)	851
Deferred gains or losses on hedges	-	(160)
Remeasurements of defined benefit plans, net of tax	186	335
Total other comprehensive income	(255)	1,026
Comprehensive income	10,109	35,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,147	35,584
Comprehensive income attributable to non-controlling interests	(37)	6

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 Three Months Ended June 30, 2023" 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.