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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 26, 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: November 10, 2023
 Scheduled date of commencing dividend payments: November 30, 2023
 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, 2023 (April 1, 2023 to September 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	%
Six months ended September 30, 2023	458,579	18.5	74,966	-	70,323	-	51,037	-
September 30, 2022	386,853	41.5	(985)	-	(1,070)	-	(1,612)	-

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 54,288 million [-%]
 Six months ended September 30, 2022: ¥ (1,433) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2023	Yen 245.01	Yen -
September 30, 2022	(11.29)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2023	Millions of yen 2,129,956	Millions of yen 312,242	% 14.0
March 31, 2023	2,093,339	258,106	11.7

(Reference) Equity: As of September 30, 2023: ¥ 299,115 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	-	5.00			
Fiscal year ending March 31, 2024 (Forecast)			-	5.00	10.00

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

(Note) The above "Status of Dividends" shows the status of dividends on common stock. For the status of dividends on class shares (unlisted), which have different rights from those of common shares issued by the Company, please refer to "Status of Dividends on Class Shares" below.

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	960,000	8.0	49,000	-	36,000	-	31,000	-	143.98

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

(Note) Please refer to "Consolidated Earnings Forecast for FY2024" on page 6 and "Summary of Revisions to Consolidated Earnings Forecast for FY2024" on page 7 of the "Financial Results for the 2nd Quarter of FY2024 (April - September)" released today (October 26, 2023) for the revisions to the consolidated earnings forecast.

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 30, 2023: 215,291,912 shares

March 31, 2023: 215,291,912 shares

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

September 30, 2023: 9,979,796 shares

March 31, 2023: 9,981,780 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 205,311,036 shares

Six months ended September 30, 2022: 205,312,864 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	—	4,560,164.00			
April 1, 2023 – March 31, 2024 (Forecast)		—	—	1,500,000.00	6,060,164.00

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

(Note) The dividend per share as of September 30, 2024 includes 3,060,164.00 yen of accumulated unpaid dividend for the year ended March 31, 2023.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Non-current assets	1,761,374	1,741,262
Electric utility plant and equipment	1,147,235	1,131,136
Hydroelectric power production facilities	205,222	200,974
Thermal power production facilities	182,564	176,913
Nuclear power production facilities	135,707	133,268
Transmission facilities	177,122	175,317
Transformation facilities	105,107	103,176
Distribution facilities	297,060	296,378
General facilities	38,095	36,781
Other electric utility plant and equipment	6,354	8,325
Other non-current assets	59,767	59,818
Construction in progress	190,294	206,315
Construction in progress	169,148	184,832
Retirement in progress	198	534
Special account related to reprocessing of spent nuclear fuel	20,947	20,947
Nuclear fuel	208,055	193,523
Nuclear fuel in processing	208,055	193,523
Investments and other assets	156,021	150,467
Long-term investments	83,439	88,063
Retirement benefit asset	14,076	14,551
Deferred tax assets	47,572	37,596
Other	14,250	13,643
Allowance for doubtful accounts	(3,317)	(3,387)
Current assets	331,964	388,694
Cash and deposits	89,867	121,225
Notes and accounts receivable - trade, and contract assets	91,465	88,739
Inventories	92,122	80,563
Other	60,297	99,771
Allowance for doubtful accounts	(1,788)	(1,606)
Total	2,093,339	2,129,956

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and net assets		
Liabilities		
Non-current liabilities	1,421,993	1,383,442
Bonds payable	753,500	738,500
Long-term borrowings	510,648	486,218
Retirement benefit liability	35,929	36,051
Asset retirement obligations	112,599	113,893
Other	9,315	8,779
Current liabilities	411,047	432,291
Current portion of non-current liabilities	167,800	192,061
Short-term borrowings	44,500	44,500
Commercial papers	-	10,000
Notes and accounts payable - trade	84,732	66,359
Accrued taxes	8,960	29,567
Other	105,054	89,802
Reserves under special laws	2,192	1,979
Reserve for water shortage	2,192	1,979
Total liabilities	1,835,233	1,817,713
Net assets		
Shareholders' equity	248,911	299,949
Share capital	114,291	114,291
Capital surplus	47,348	47,348
Retained earnings	105,139	156,176
Treasury shares	(17,868)	(17,867)
Accumulated other comprehensive income	(4,095)	(833)
Valuation difference on available-for-sale securities	2,264	4,928
Deferred gains or losses on hedges	(1,831)	(1,886)
Remeasurements of defined benefit plans	(4,528)	(3,875)
Non-controlling interests	13,291	13,127
Total net assets	258,106	312,242
Total	2,093,339	2,129,956

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Operating revenue	386,853	458,579
Electric utility operating revenue	362,740	439,846
Other business operating revenue	24,113	18,732
Operating expenses	387,839	383,613
Electric utility operating expenses	366,345	367,724
Other business operating expenses	21,494	15,889
Operating profit (loss)	(985)	74,966
Non-operating income	5,255	1,580
Dividend income	395	417
Interest income	42	28
Share of profit of entities accounted for using equity method	46	-
Other	4,770	1,135
Non-operating expenses	5,339	6,223
Interest expenses	4,671	5,213
Share of loss of entities accounted for using equity method	-	113
Other	668	896
Total ordinary revenue	392,109	460,160
Total ordinary expenses	393,179	389,837
Ordinary profit (loss)	(1,070)	70,323
Provision or reversal of reserve for water shortage	303	(212)
Provision of reserve for water shortage	303	-
Reversal of reserve for water shortage	-	(212)
Profit (loss) before income taxes	(1,373)	70,536
Income taxes - current	427	10,867
Income taxes - deferred	(208)	8,718
Total income taxes	218	19,586
Profit (loss)	(1,592)	50,949
Profit (loss) attributable to non-controlling interests	19	(87)
Profit (loss) attributable to owners of parent	(1,612)	51,037

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit (loss)	(1,592)	50,949
Other comprehensive income		
Valuation difference on available-for-sale securities	(498)	2,722
Deferred gains or losses on hedges	285	(42)
Remeasurements of defined benefit plans, net of tax	372	670
Share of other comprehensive income of entities accounted for using equity method	-	(12)
Total other comprehensive income	159	3,338
Comprehensive income	(1,433)	54,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,489)	54,299
Comprehensive income attributable to non-controlling interests	56	(10)

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 September 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.