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■ Financial Results for the Year  
Ended March 31, 2018

Hokkaido Electric Power Co., Inc.

May 11, 2018



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Note : In this presentation, “FY(Fiscal Year)” refers to the period of April 1 through March 31 of each year.  
e.g. FY2019 means the period from April 1, 2018 to March 31, 2019.

## Outline of the FY 2019 Management Plan (Overall View)

- In FY 2019, We will implement an in-house company system for legal unbundling of the transmission and distribution division scheduled for April 2020, and we will start operation of Ishikariwan-Shinko Power Station and the Shin-Kitahon HVDC Link, which will be the core supply equipment for the future. In this way, HEPCO Group is entering a period of major change.
- In order to respond steadily to these changes and aim for growth and development as a general energy company, we set out medium-term measures aimed at the three years from FY 2019 to FY 2021 in the "Management Plan FY 2019".

### ■ FY 2019 Management Plan (Efforts aimed at the three years from FY 2019 to 2021)

#### 【Items to be focused on】

**Enhancement of income /  
expenditure / financial base**  
(Revenue expansion · Cost reduction)

**Early restart of Tomari Power Plant  
and improvement of safety**

#### 【Items to be Continued】

Response to legal separation of  
power generation / sales division and  
transmission / distribution division

Enhance competitiveness of power supply  
and secure stable supply

Environmental conservation · Human resources  
development · Measures as a company rooted in  
the community

**Further growth and development as  
a General Energy Company**

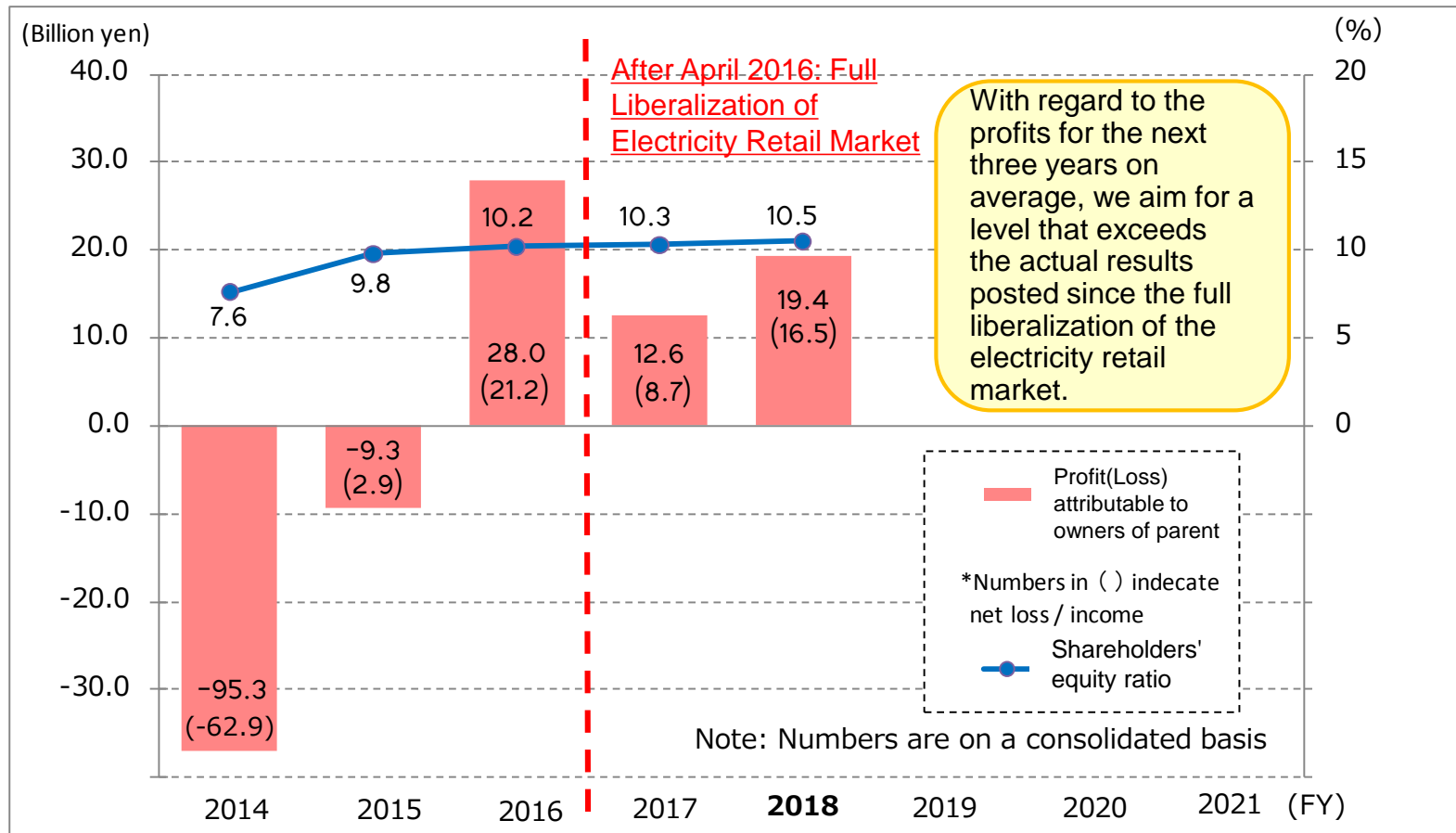
# ■ Outline of the FY 2019 Management Plan

## Main items of FY 2019 Management Plan

Items	Items from FY2019 to FY2021	
Response to total liberalization of electricity retail market	<b>Growth strategy</b> <b>Promotion of Total Energy Solution</b>	<ul style="list-style-type: none"> <li>Strengthening sales activities</li> <li>Start offering new price menu and services, etc.</li> </ul>
Gas supply business		Start selling gas after LNG tank is completed ● Starting gas tank operation of Ishikari LNG base
Electric power sales outside Hokkaido		Further expansion of electric power sales outside Hokkaido ● Starting operation at Fukushima Natural Gas Power Plant
Promotion of efficiency improvement and cost reduction	Promotion of measures to improve efficiency and reduce costs drastically throughout operations Maintaining soundness of equipment and reducing costs	
Early restart of the Tomari Power Station (Response to the new regulatory requirements)	Normalization of management by achieving early restart of the Tomari Power Station	
Review issues and establish systems, for legal unbundling of transmission and distribution division	Preparation for organizational structure transition by starting in-house company system (Establish transmission and distribution company)	Start legal unbundling of power transmission and distribution division
Ishikariwan Shinko Power Station and Shin-Kitahon HVDC Link	Starting operations at Ishikariwan Shinko Power Station and Shin-Kitahon HVDC Link	Both securing a stable supply in the future and a highly competitive power supply configuration ● Starting operation at Ishikariwan Shinko Power Station Unit 1 ● Starting operation at Shin-Kitahon HVDC Link

# Income / Expenditure Situation and Target Profit Level

- As the challenging business environment continues, we focused on improving our competitiveness and efforts to improve our income / expenditure balance and secured a surplus for the third consecutive year.
- With regard to the profits for the next three years on average, we are aiming for a level that exceeds the actual results posted since the full liberalization of the electricity retail market (average from FY2017 to FY2018) .



# ■ Enhancement of Income / Expenditure / Financial Base

## Promotion of measures to strengthen income / expenditure / financial base

- We will further promote all aspects of income expansion, efficiency improvement, and cost reduction measures to build a management structure that can generate stable profits even before the restart of the Tomari Power Station.
- We will steadily raise profits and try to restore the damaged financial base.

Measures toward expanding income	Increase revenue by strengthening sales	<ul style="list-style-type: none"> <li>● Conducting various initiatives aimed at preventing reduction of electricity sales volume and expansion of demand</li> </ul>
	Response to competition in electricity retail market	<ul style="list-style-type: none"> <li>● Continuing to propose optimal electricity rate options for each customer (For High-Voltage and Extra High-Voltage Customers); providing a new electricity price menu (for Low Voltage Customers); strengthening face-to-face sales activities</li> </ul>
	Expansion of electricity demand through electrification	(For household use) Proposal of high efficiency electrified equipment including smart electrification Measures to expand air conditioner popularization (For corporations) Expansion of electrification of air conditioning, kitchen and hot water supply Contract acquisition through contribution to customer's energy consumption reduction
	Promotion of general energy business	<ul style="list-style-type: none"> <li>● Combining skills and know-how owned by HEPCO's group companies to provide total energy solutions to meet customer's requests</li> </ul>
	Promotion of gas supply business	<ul style="list-style-type: none"> <li>● Promotion of supply and sales of LNG utilizing LNG procured for Ishikariwan-Shinko Power Station</li> <li>● For the expansion, we aim to target sales volume of 10,000 tons/year</li> </ul>
	Further expansion of electricity sales outside Hokkaido	<ul style="list-style-type: none"> <li>● Expansion of electricity sales in the Tokyo Metropolitan Area (utilizing Fukushima Natural Gas Power Station)</li> <li>● Conducting wholesale sales utilizing competitive electricity</li> </ul>
Cost reduction and efficiency improvement	Construction of low cost corporate structure	<ul style="list-style-type: none"> <li>● Strong promotion of drastic efficiency improvement and cost reduction throughout operations (Reduction of periodic inspection period of thermal power plants, reduction of equipment and materials procurement costs, etc.)</li> </ul>
	Review of group company structure	<ul style="list-style-type: none"> <li>● Consideration of merger and integration of distribution business undertaken by three group companies to Hokkai Electrical Construction</li> </ul>

Building a management structure that can generate profits

# ■ Measures toward Expanding Income

## Various measures to expand income

- Due to an increase in contract switching to other electric power companies due to intensified competition in electricity sales, etc., our electricity sales volume continues to decline. But we will promote various policies in the future and aim to prevent the reduction of electricity sales volume and to expand demand.
- In addition, we will also work to expand income by developing general energy business including gas supply business.

### Strengthening electricity sales organization [2018.4.1~]

- With the establishment of specialized organizations such as "Sales Promotion Dept." responsible for planning sales/proposal activities, "Branch Office" as regional bases and "Electrification Solution Center" to propose electricity solutions to corporate customers, etc., we will strengthen the sales force.

### Promotion of optimal electricity rate options for each customer and face-to-face sales activity (For High-Voltage and Extra High-Voltage Customers)

- By continuing detailed response according to customer's usage situation etc., we will promote acquisition of contracts from other companies and prevent changeover of contracts to other companies.

### Enhancement of lineup of Electricity Charge Menu (for Low Voltage Customers)

- We will strengthen and expand our acquisition of contracts from other companies by enhancing our lineup of electricity price menus that will meet the needs of many customers and enhancing our competitiveness by starting to offer new electricity price menus.

### Providing convenient and comfortable living through electrification proposals

- We will increase electricity demand, including conversion from other energy sources to electrification.
- (For household use) Promotion of smart electrification, and expansion of air conditioner popularization
- (For corporations) Expansion of electrification of air conditioning, kitchen and hot water supply

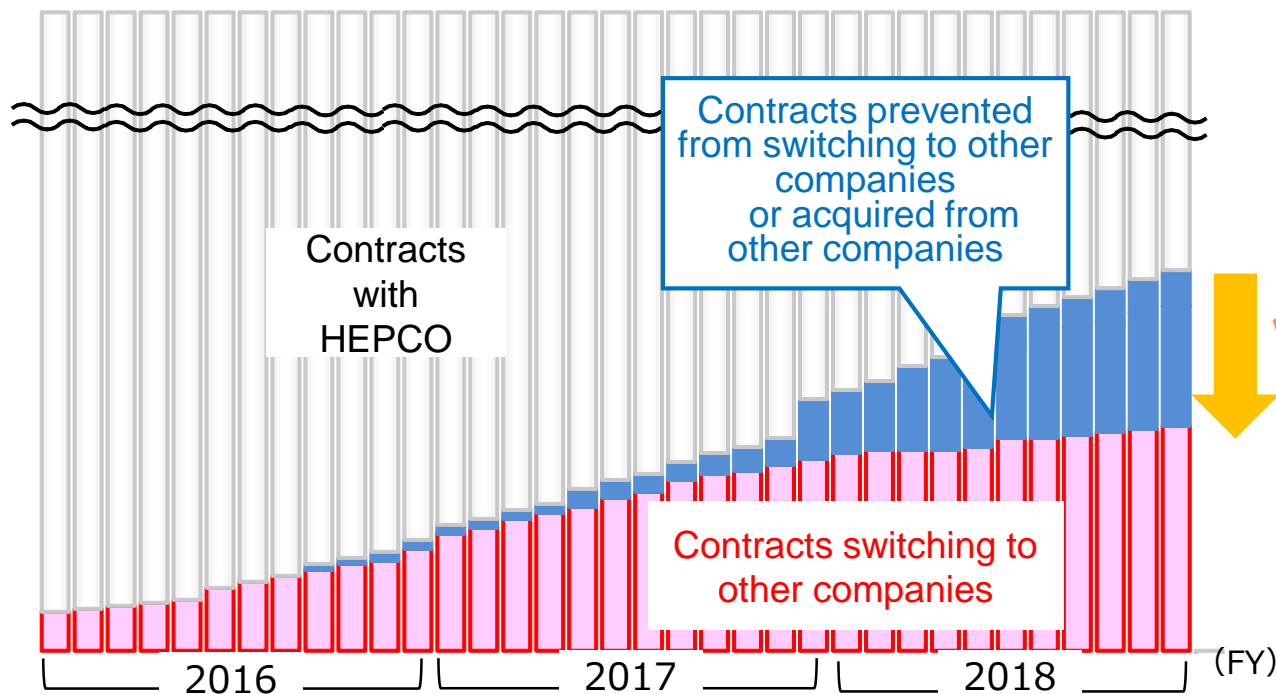
### Expansion of general energy business towards expanding profits

- We aim to expand profits through the start of the gas supply business, strong development of "total energy solution" that provides combined electricity and gas solution, and further promotion of electricity sales outside Hokkaido.

## Promoting face-to-face sales activities

- The pace of increase in contract switching to other companies has slowed down as a result of prevention of switchover to other companies and acquisition of contracts from other companies through continuing to conduct sales activities while checking the usage status of each customer in detail.
- In addition to continuing our measures in the future, we will promote face-to-face sales activities that combine energy saving diagnosis and others according to customer needs.

(kW) Trends in contract switching to other companies  
( High Voltage / Extra High Voltage )



- Due to face-to-face sales activities, the pace of increase in contract switch to other companies slowed down.
- We will continue to engage in marketing activities in order to prevent contract switching to other companies and acquire contracts from other companies.

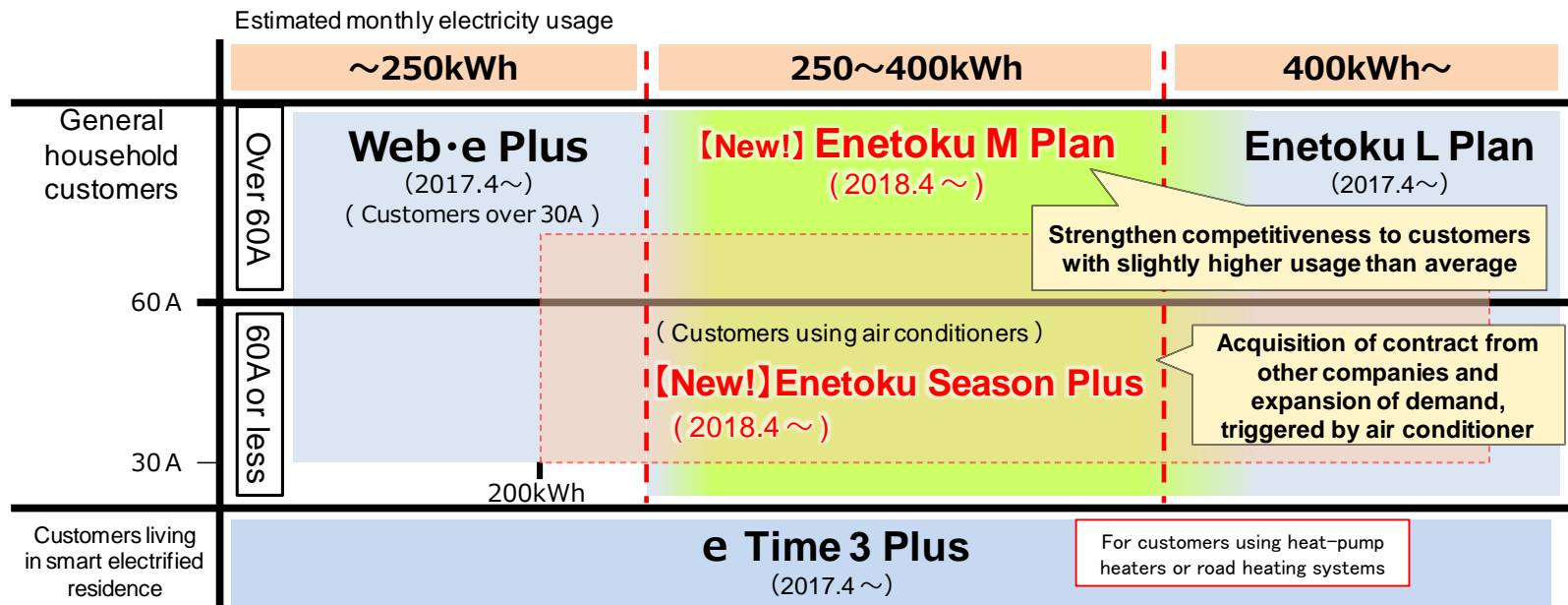


# ■ Measures toward Expanding Income (for Low Voltage Customers)

## Enhancement of lineup of electricity service plans to enhance competitiveness

- In addition to the electricity service plans released last year, we began offering new electricity service plans from April this year to enrich our lineup so that customers who switched their contracts to other companies can choose us again.
- Specifically, we will start offering the following two electricity service plans.
  - "Enetoku M Plan" to strengthen competitiveness to "customers with slightly higher usage than average"
  - "Enetoku Season Plus" which is the plan for customers who use air conditioners

### <New electricity service plan for home>



#### [Other Measures]

- Regarding membership web service "HEPCO ENE MALL", the number of members exceeded 100,000 (February this year)
- Increase in number of subscribers to "L-Den Point Plus Service" through business alliance with Hokkaido Air Water Inc.

## Providing convenient and comfortable living through electrification

- Through the proposal of high efficiency electric appliances including smart electrification, we will expand the electricity sales volume by providing convenient and comfortable living.

### 【For Low Voltage Customers】

- We will continue to promote the penetration of smart electrification that excels in energy saving performance and environmental performance, can realize a comfortable life even in Hokkaido with snow and cold weather.
- Given Hokkaido's home air conditioner penetration rate (approximately 50% of Aomori Prefecture, where the climate is relatively similar to Hokkaido), we think there is room for promotion in the future. And we regard the trend of increasing penetration rate in recent years as an opportunity. So we will utilize the new electricity service plan "Enetoku Season Plus" and work on supporting the spread of air conditioners.

### Air conditioner penetration rate

Prefectures	Penetration rate	
	2009	2014
Hokkaido	11.9 %	25.7 %
Aomori	44.8 %	51.6 %
Tokyo	85.9 %	89.6 %
National average	83.1 %	86.4 %

Source: Ministry of Internal Affairs and Communications national consumption survey

### 【For High Voltage and Extra-High Voltage Customers】

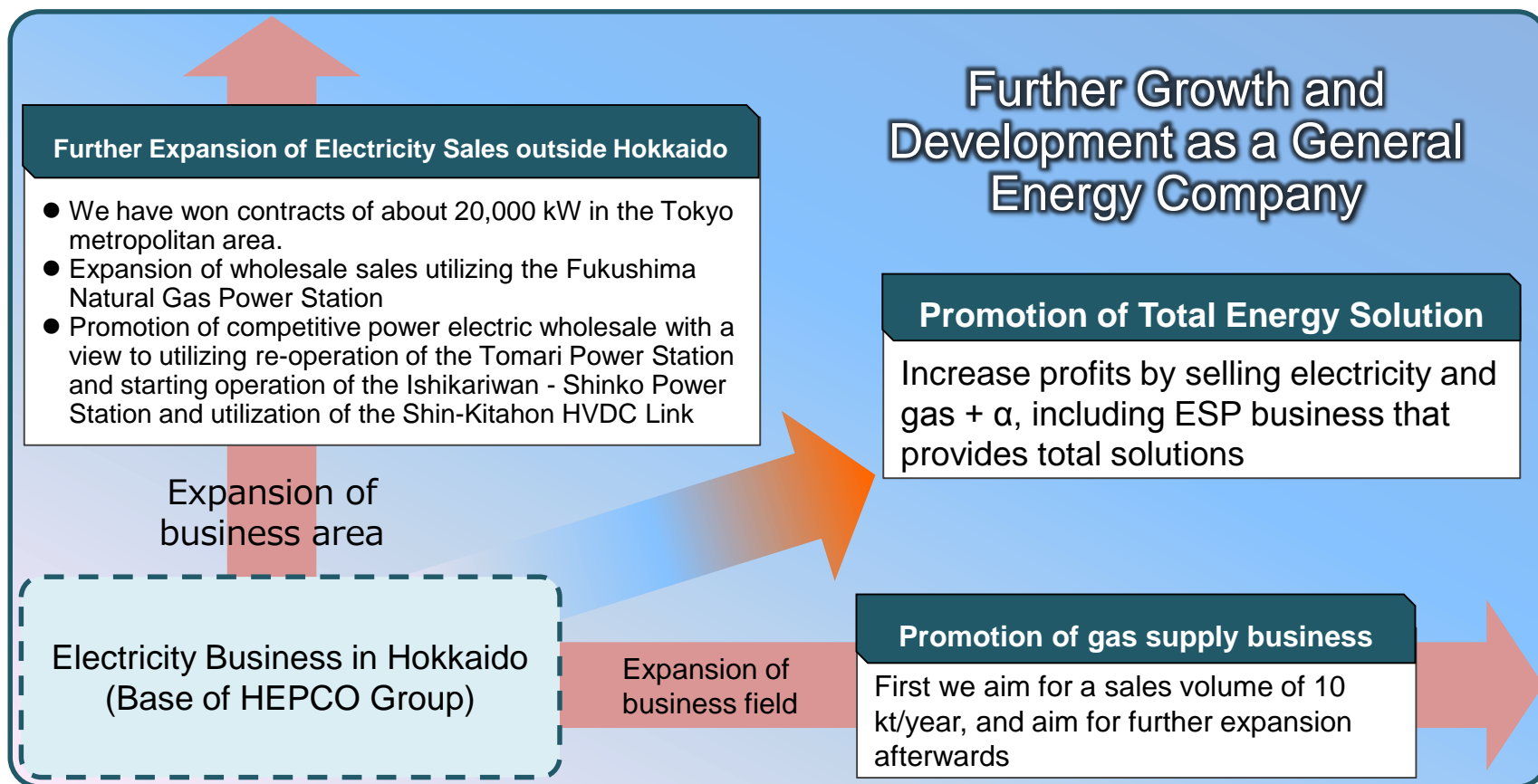
- We are working on expanding air conditioning/kitchen/hot water supply electrification and aim to promote shift from other energy sources to electrification.
  - Establish a specialized organization such as "electrification solution center" etc. to make electrification proposals and conduct energy saving diagnosis etc.
  - Increase acquisition of electrification consulting property information (facility renewal, construction, transfer, renovation, etc.)
  - By registering as a ZEB planner (Note 1), we will increase the number of system proposals mainly based on heat pumps towards ZEB achievement and aim to disseminate electrified properties with high energy saving performance.

Note 1: Our company was registered as a ZEB planner, the first time for an electric power company

# Promotion of General Energy Business

## Increasing customer Base and improving profit resulting from expansion of business area

- We established the General Energy Business Dept. and strengthened the system of gas business and solutions.
- Through further expansion of electricity sales outside Hokkaido, and promotion of gas supply business and general energy solutions, we will aim to increase our customer base and improve profit as a general energy company.

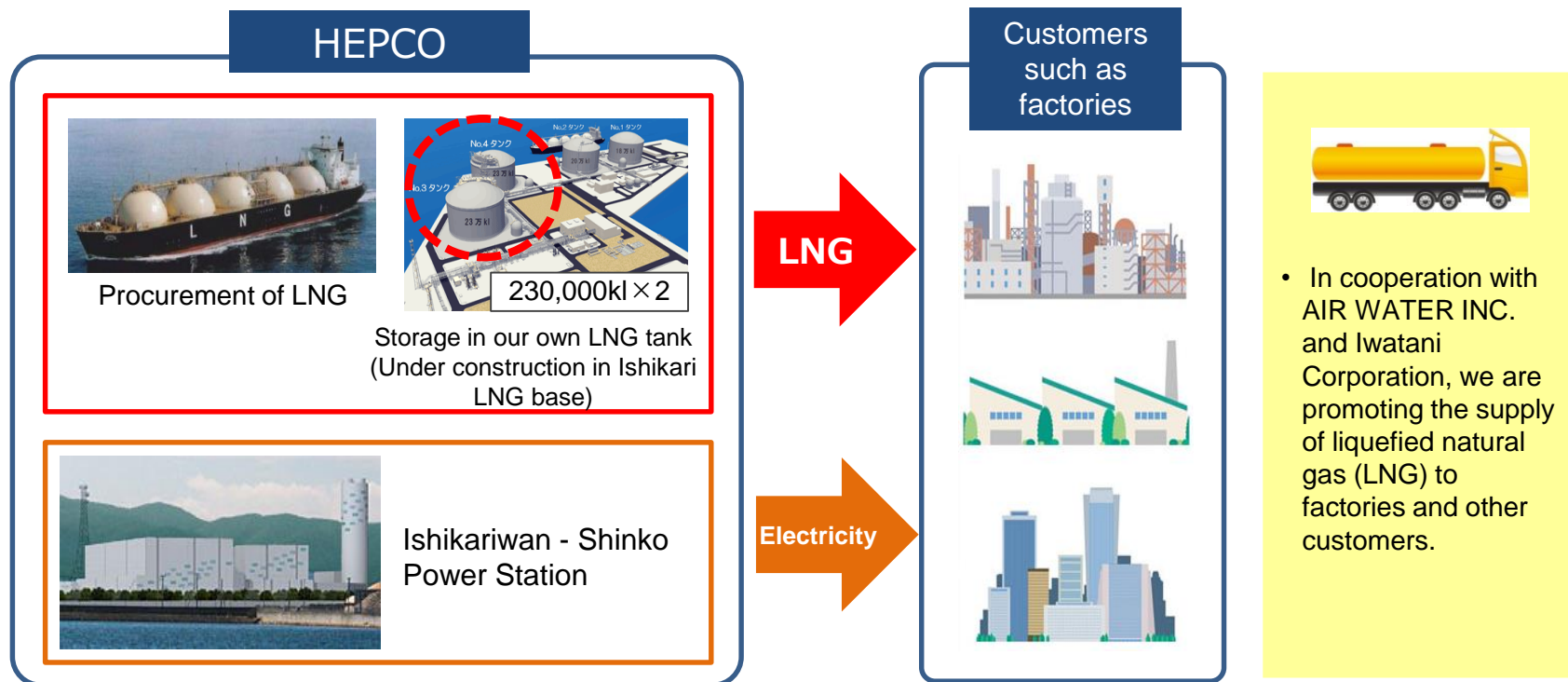


# Promotion of General Energy Business

## Promotion of gas supply business

- We are working diligently on sales activities for LNG (liquefied natural gas) by tank truck utilizing LNG procured for Ishikariwan - Shinko Power Station. In addition to the electricity we sold so far, we will sell LNG to factories and other customers. The sales start date is scheduled for after the completion of our LNG tank under construction at Ishikari LNG base (to be completed in August 2018).
- In this project, we aim first at a sales volume of 10,000 tons/year, and aim for further expansion afterwards.

## Outline of LNG Supply Business



# Promotion of General Energy Business

## Promotion of total energy solutions


- We bring together the skills and know-how of each company of the HEPCO Group to provide total energy solutions, including energy service provider (ESP) business, to respond to customer's requests, and we will aim for improvement of profit from electricity, gas and other business.

We will utilize the skills and know-how of the HEPCO Group to provide consistent services in order to respond to all customer's requests.

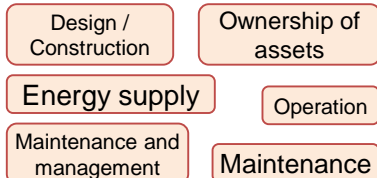


## Example of service of HEPCO Group

### Proposal of ESP business (example of factory)

Factory operation business in general 

Among them, "energy related business"



Outsourcing

**HEPCO Group**

- No initial investment required
- Labor saving of energy related operation

### Energy Saving Diagnosis



Thermal leak diagnosis using thermography

### Design, construction, and maintenance of equipment



Electric machine Photovoltaic / Wind power generation

## Further expansion of electric power sales outside Hokkaido

### Electricity Sales in the Tokyo Metropolitan Area

- Regarding sales of electricity outside Hokkaido, we have steadily accumulated sales to Extra-High Voltage and High Voltage customers in the Tokyo metropolitan area, and we have acquired contracts for about 20,000 kW at present.

### Participation in the Fukushima Natural Gas Power Generation Project

- We are participating in the construction of the Fukushima Natural Gas Power Station aiming to start operation in the spring of 2020 and utilize this power supply to further expand electricity sales including wholesale sales.

### Wholesale sales utilizing competitive electricity

- We will promote wholesale utilizing competitive electric power with a view to the supply capacity generated by restarting the Tomari Power Station and starting operation of the Ishikariwan-Shinko Power Station and utilizing the Shin-Kitahon HVDC Link.

# ■ Measures toward Reducing Costs

## Construction of low cost corporate structure

- The HEPCO group will work together to promote fundamental efficiency improvement and cost reduction throughout the entire group, will build a competitive business structure, and will realize both securing stable supply and a low cost structure.

### Implement cost reduction measures to realize constant profit improvement

【Main points of consideration】

- Not bound by previous examples and existing concepts
- Pursue work pursuant to new era while incorporating latest technology and knowledge, actively utilizing AI, IoT, etc.

#### Reduce equipment related expenses

##### Main points of consideration

- Suspension and retirement of aged thermal power plants
- Reduction of periodic inspection period of thermal power plants
- Careful selection of the equipment to be updated
- Extended use of equipment
- Utilization of AI and IoT, adoption of new construction methods, etc.

#### Improve efficiency of operations

##### Main points of consideration

- Abolition and simplification of operations
- Outsourcing, commissioning, and utilization of diverse human resources



Reduce the headcount of the HEPCO group's headquarter to about 5,000 by the end of FY 2026 (end of FY 2018 : about 5,600 people)

#### Review group companies' businesses

##### Main points of consideration

- Improvement of business efficiency of electric power support business that the Company and Group companies work on together  
Example: Recognizing and improving issues by visualizing a series of cost structures and business processes
- Optimization of the number of people in the entire group

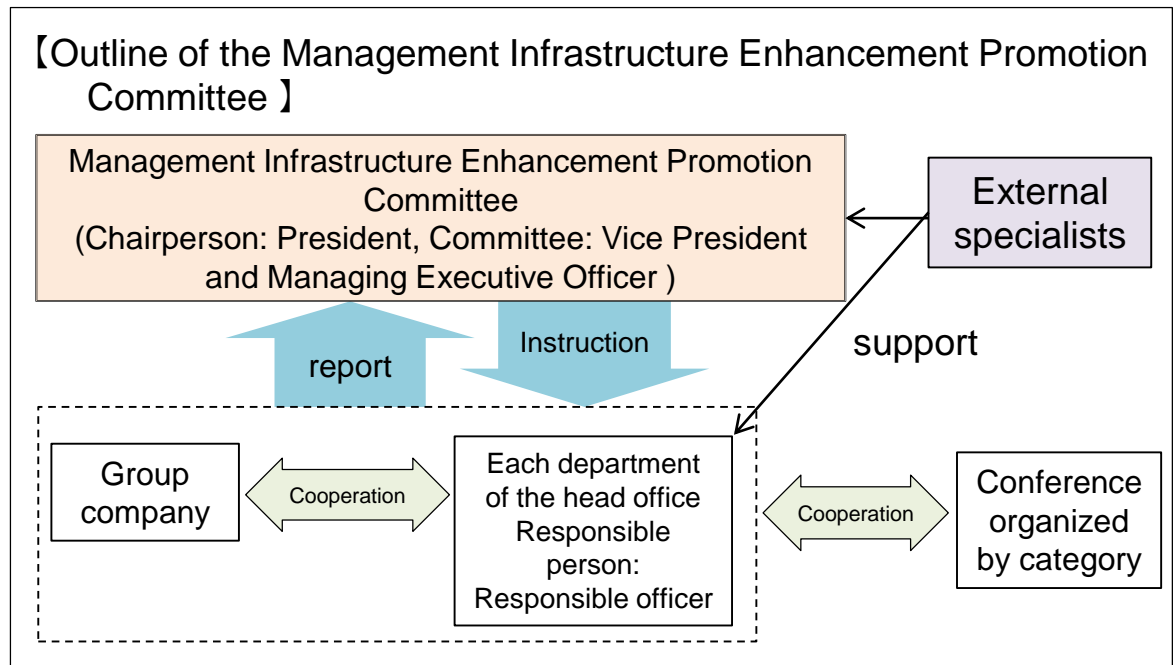
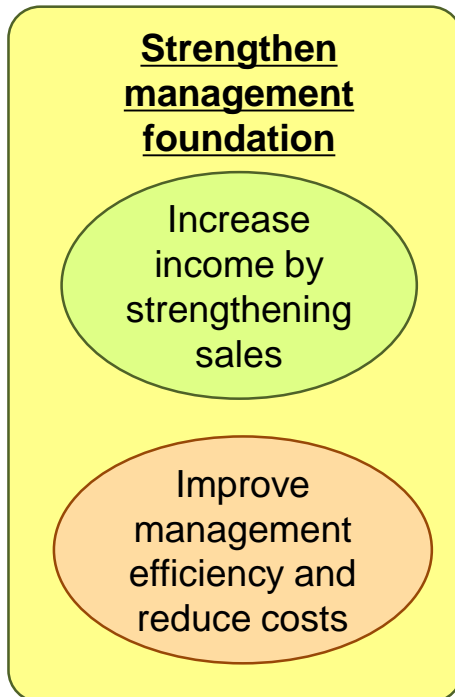


# ■ Measures toward Reducing Costs

## Promotion of measures to strengthen management foundation

- Under the "Management Infrastructure Enhancement Promotion Committee", in FY 2018, in addition to the efficiency improvement so far, we will newly target efficiency improvement and cost reductions of 13.7 billion yen.
- Going forward, we will further promote measures to create stronger profitability.

In January 2017, in order to realize the establishment of a management structure that can generate stable profit, we established the " Management Infrastructure Enhancement Promotion Committee " with the President as chairperson.





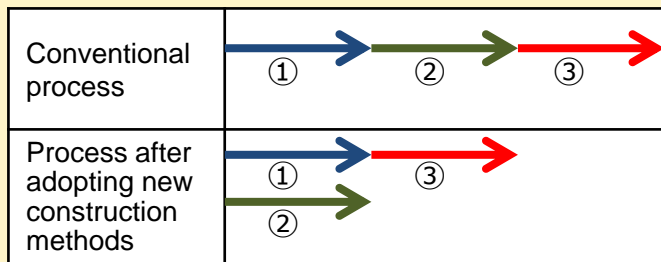
## Reduction of periodic inspection period of thermal power plant

- In periodic inspections such as for Tomatch-Atsuma Power Station (overseas coal-fired power station), which is a highly competitive power source, while obtaining cooperation from other companies such as manufacturers, we will identify the work that will most affect the inspection period and promote shortening of the work period .

【Efficiency improvement result: It is expected that the regular inspection of Unit 2 of Tomatch-Atsuma is expected to be shortened from 150 days, which was the original plan, to less than 130 days, thereby leading to a reduction in alternative fuel costs.】

### Measures to shorten the work process of regular inspection

- We cooperate with manufacturers and construction companies to carefully examine each process in the periodic inspection and shorten the total work days by adopting new construction methods and prioritizing securing of personnel.



Example of shortening repair work period (image)

We will shorten the total construction days by reorganizing the processes we have been doing in order, securing personnel preferentially, and simultaneously performing multiple construction tasks.

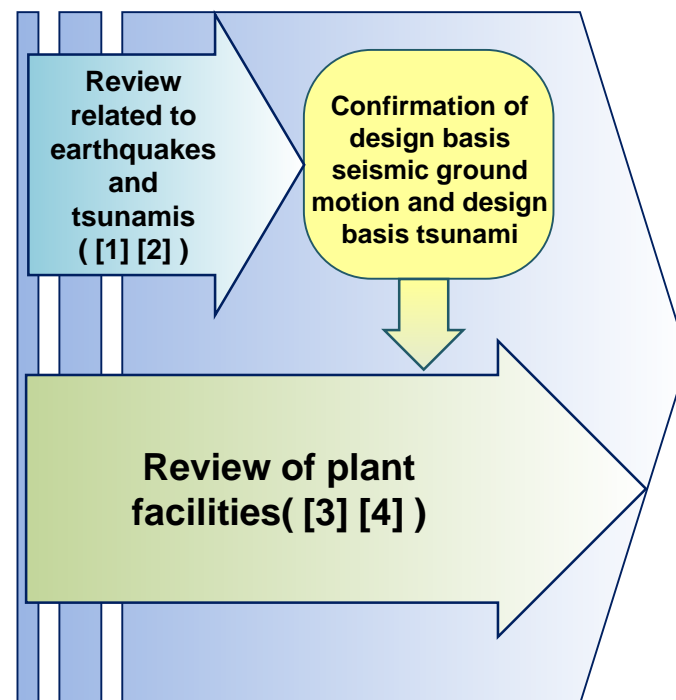


Tomatch-Atsuma Power Station

## Response to the main issues in the reviews

- At the review of the Tomari power station, currently there are the following issues, and we explain the evaluation of the potential fault in the power plant premises toward the confirmation of the design basis seismic ground motions/reference tsunami, and we are evaluating potential earthquake ground motion from the active fault assumed northwest off the Shakotan Peninsula.
- In parallel, we are also studying the issues of tide embankment and breakwaters, and we will explain them at the review meeting based on the results of the design basis seismic ground motion and design basis tsunami, and get an understanding.

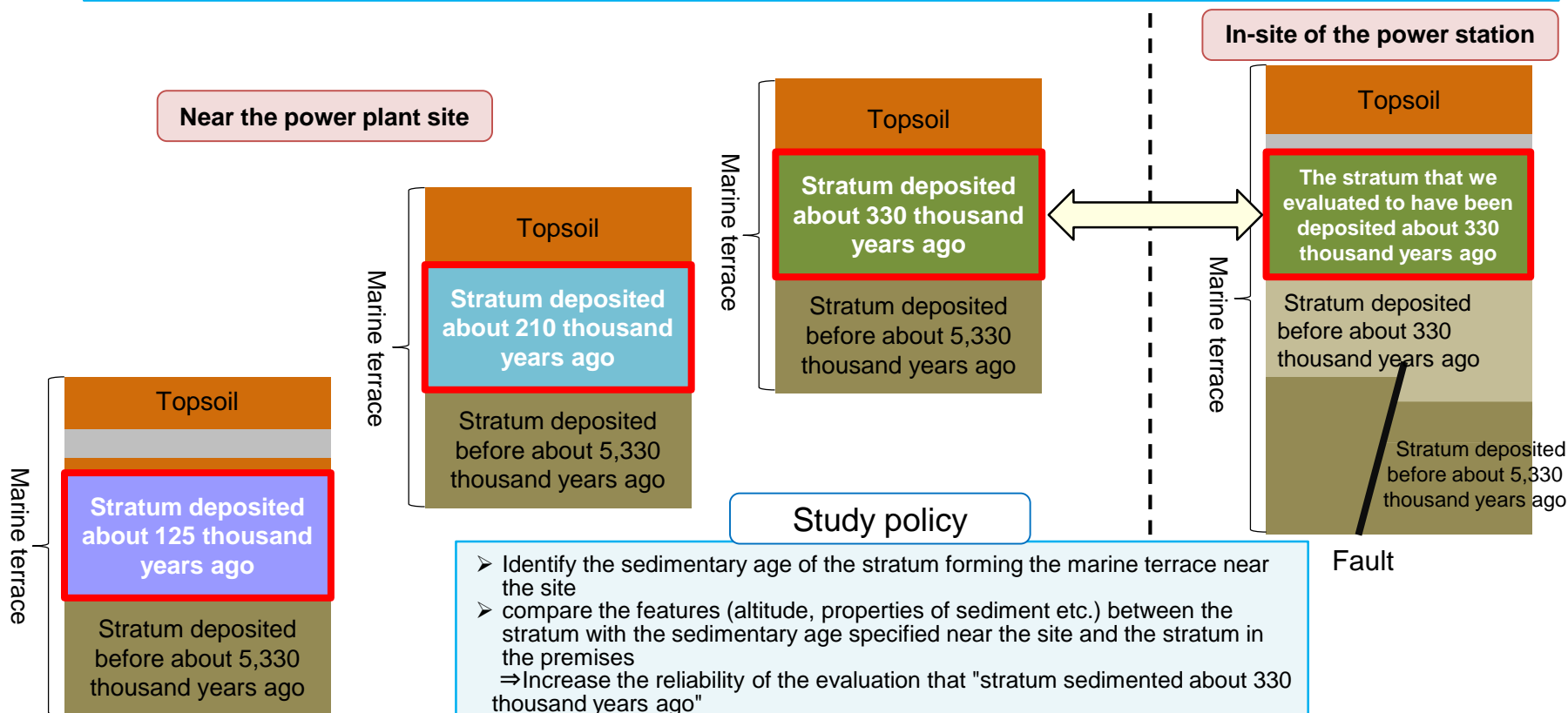
Issues	Correspondence situation
[1]Chronological evaluation of strata in the premises of a power plant	In order to improve the explanation of our evaluation on the age of the strata, we conducted surveys and studies, and explain them at hearings, etc.
[2]Ground motion evaluation based on active fault assumed to exist off the northwestern coast of the Shakotan Peninsula	We are advancing evaluation of potential earthquake ground motion from assumed active fault.
[3]Evaluation of the impact on liquefaction of the ground under the tide embankment (seawall) due to earthquake	Regarding the tide embankment, we are studying a design change to the rocky support structure.
[4]Evaluation of the impact on plant facilities when breakwaters are damaged by a tsunami	Using analysis on movement and settlement of breakwater and the results of hydraulic model experiments, we are advancing evaluation of the impact on power plant facilities.



# (Reference) Measures Taken to Restart the Tomari Nuclear Power Station

## Status of response to the task "Evaluation of the activity possibility of the in-site fault of the power station"

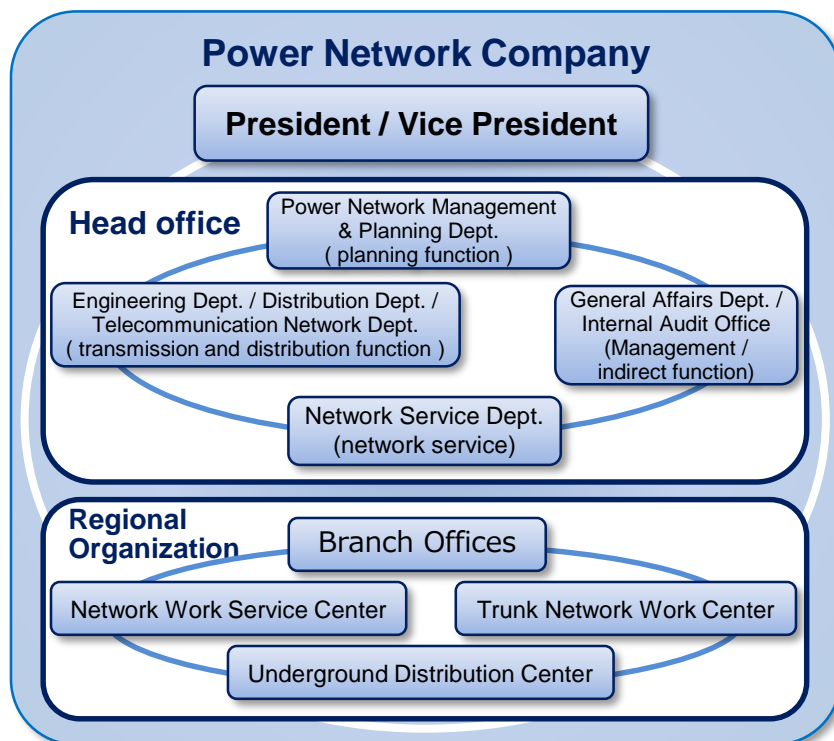
- In order to increase the reliability of our evaluation that there is no activity in the strata of a new era more than "about 120 thousand to 130 thousand years ago" within the Tomari Power Station premises (there are no so-called active faults in the site), we are explaining the results of investigation and examination, about the sedimentary age of the stratum that we evaluated that it accumulated 330 thousand years ago, with a particular emphasis on "The improvement of the precision of the terrace correlation and chronology."
- Specifically, we compare the geological formations in the vicinity of the premises with the geological formations in the power plant premises, etc., and then we estimate that the deposition of the stratum that we evaluated to have deposited in the site about 330 thousand years ago. To raise the reliability of the age, we will explain at the review meeting the survey and examination results we conducted.



- In anticipation of the Legal Unbundling System in April 2020 (scheduled), we emphasized the integration and efficiency as a company with the premise of securing neutrality of the transmission and distribution business and maintaining stable supply, and we were oriented towards a two-company structure consisting of "business holding company" which places power generation division and sales division, and "transmission and distribution company". First of all, in April 2018 we established a Power Network Company.
- We reviewed the organizational structure for power generation, sales, management and indirect departments in order to strengthen our efforts to expand business areas and to strengthen sales capabilities.

## Establishment of Power Network Company with a view to Legal Unbundling System

## Review of power generation / sales / management / indirect department for further growth



### ➤ Strengthen group management / strategic functions

Establishment of Corporate Planning Dept.  
(Aggregation of management functions of group companies, promotion of business strategy that integrates power generation and sales, and enhancing the competitiveness of the power supply)

### ➤ Strengthen measures to expand business areas

Establishment of General Energy Business Dept. to consistently promote expansion of business areas related to energy in general

### ➤ Strengthening sales force

Establishment of Sales Promotion Dept., regional organization restructuring

### ➤ Promotion of efficiency

Centralization of indirect departments etc. (aggregation from the regional organization to the head office)

# Enhance Competitiveness of Power Supply and Ensure Stable Supply

## New construction of Ishikariwan - Shinko Power Station (LNG Thermal Power Station)

- The Ishikariwan - Shinko Power Station is expected to operate nearly as a base power supply for the time being, so it is expected that the benefits of fuel conversion to LNG fire power, which is superior in economic efficiency, from oil fired power generation, will occur.
- The power plant has a high power generation efficiency (62% of the world's highest level), as a thermal power plant of the natural gas combined cycle system which has excellent environmental characteristics and high thermal efficiency. It will respond to various issues such as aging of existing thermal power plants, diversification, and diversification of power supply.

Power Generation System	Generator output	Commercial operation start date ( scheduled )
Gas turbine combined cycle power generation system	Unit 1 : 569.4 MW Unit 2 : 569.4 MW Unit 3 : 569.4 MW Total : 1,708.2 MW	<u>Unit 1 : 2019.2</u> Unit 2 : 2026.12 Unit 3 : 2030.12



Expected completion image

### Characteristics of Ishikariwan - Shinko Power Station

High power generation efficiency

Excellent environmental characteristics

Excellent operability

Construction progress rate: 79.9% (As of 2018.4.20)

## Expanding the capacity of Kitahon HVDC Link

- The purpose of expansion is to ensure stable supply in the Hokkaido area, such as more reliable response to emergency shutdown risk of power plants.
- It is also expected to contribute to expansion of introduction of renewable energy in Hokkaido and invigoration of power trading.

- Transmission capacity: 300MW
- Power transmission voltage: 250kV (direct current)
- Power transmission distance: 122km (Underground cable 24km)

- Commercial operation start date (scheduled): 2019.3
- Construction progress rate: 81% (As of 2018.3.31)

### <Route map>



# ■ Measures Concerning the Environment

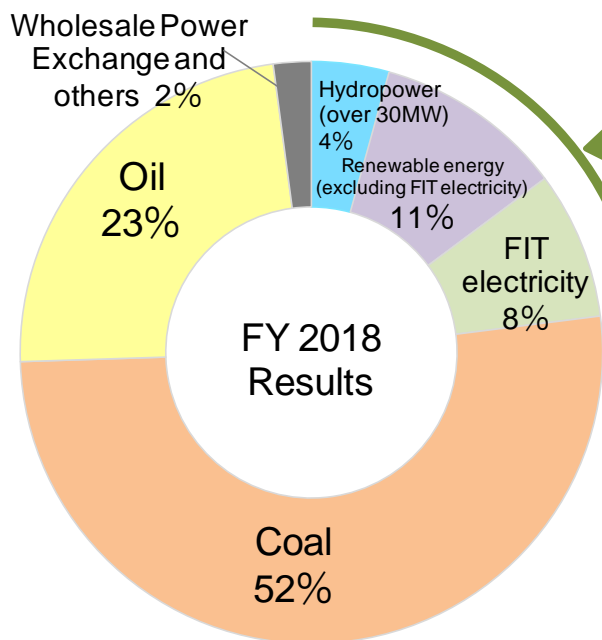
## Ratio of renewable energy to total amount of electricity of our company

- In order to expand the introduction of renewable energy, which is a local resource, in addition to wind power generation and photovoltaic power generation, we are promoting efforts related to hydro power generation, biomass power generation, etc. They are resources of the region, and are renewable energy rooted in the area. Additionally, their output fluctuation is small and the influence on the electric power system is low.
- The proportion of renewable energy (electricity generated by our own renewable energy generation, electricity procured from a renewable power generation business) in our electricity (Note 1) is about a quarter.
- We will continue to operate business with consideration of ESG (Note 2) in order to fulfill our corporate social responsibility and sustainable corporate value as the HEPCO Group.

(Note 1) Total amount of electricity generated by HEPCO's power generation and amount of electricity purchased from other companies (excluding remote islands)

(Note 2) ESG: Environment · Social · Governance

## Ratio of renewable energy to total amount of electricity of our company



Renewable energy electricity generated by HEPCO, and electricity procured from renewable energy power generation companies: Approximately 23%

(Note 3) "Hydropower (over 30,000 kW)" does not include pumped-storage power generation.

(Note 4) "Energy other than FIT electricity" includes hydro power (less than 30,000 kW), photovoltaic power, wind power, biomass, geothermal power.

(Note 5) "Wholesale Power Exchange / Others" includes procurement from the wholesale power exchange, pumped-storage power generation / waste power generation, and some of the electricity procured from other companies and whose power type can not be specified. Incidentally, procurement from the wholesale power exchange includes hydroelectric power generation, thermal power generation, nuclear power generation, FIT electric power, renewable energy generation, etc.

(Note 6) Part of the expenses for the Company to procure FIT Electricity is covered by "levies" collected from all customers using electricity. In addition, FIT Electricity is treated as having nationwide average electricity CO<sub>2</sub> emissions including thermal power generation etc.

(Note 7) Our CO<sub>2</sub> emission coefficient (adjusted) in FY 2017 is 0.640 kg - CO<sub>2</sub> / kWh (Results for FY 2018 are being calculated).

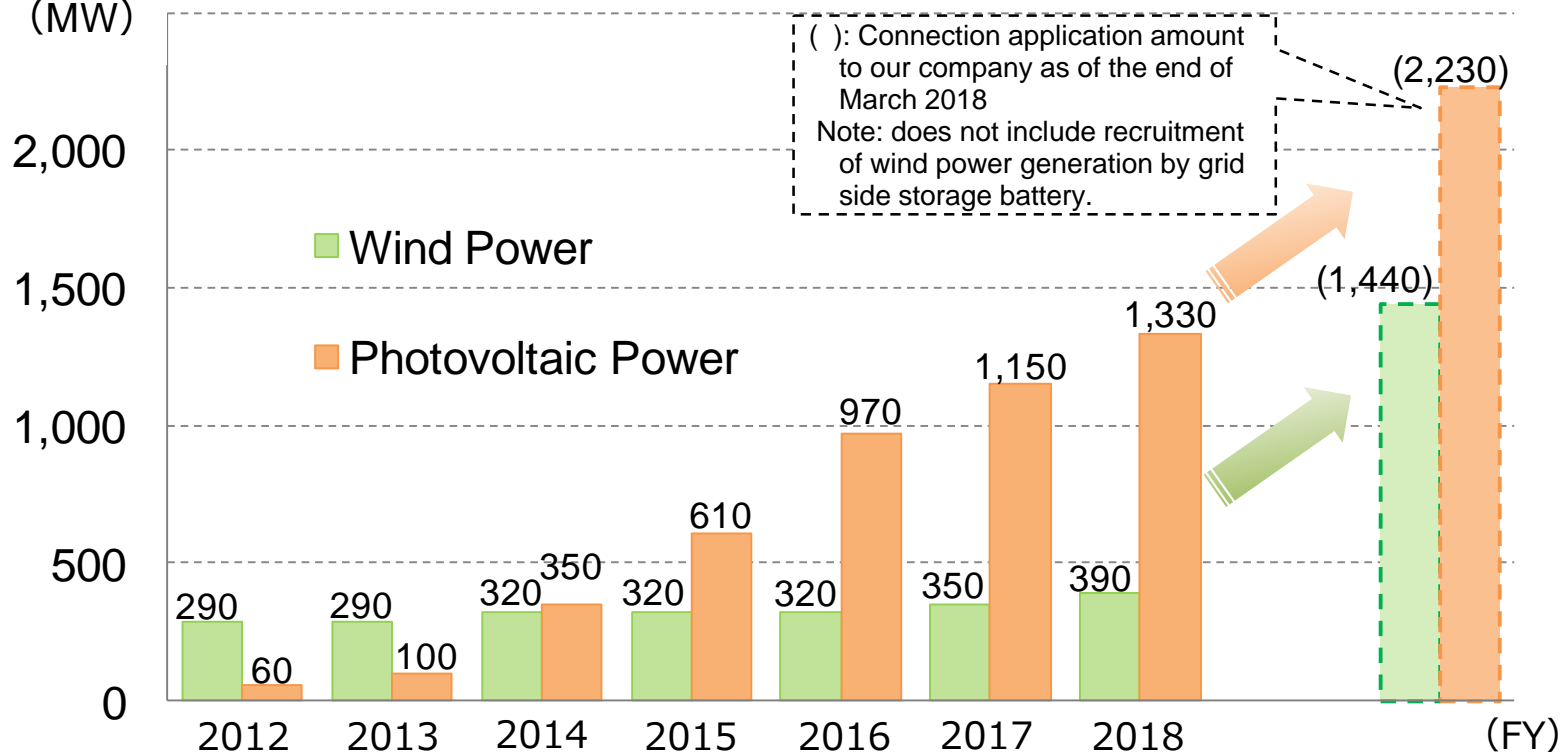


# ■ Measures Concerning the Environment

## Measures toward expansion of introduction of wind power generation/solar power generation

- The interconnected amount of renewable energy generation to the grid within Hokkaido as of the end of FY2018 is about 3,630 MW. Among them, the total interconnected amount of wind power generation and photovoltaic power generation is about 1,720 MW, which is equivalent to about 50% of the annual average electric power (about 3,600 MW) in the Hokkaido area. Furthermore, the total amount of wind power/photovoltaic power connection applications to our company as of the end of FY 2018 is almost the same level as the average annual electric power.
- We are making efforts to make effective use of the transmission network ahead of "Japan version Connect & Manage" which is currently under consideration for introduction nationwide and also promoting utilization of new adjustment power such as large storage batteries corresponding to output fluctuation to maintain the quality of power, while continuing to further expand wind and photovoltaic power generation.

Amount of interconnected wind and photovoltaic power generation to the transmission system in Hokkaido (MW)



## Various measures to expand the introduction of renewable energy

### ■ Recruitment of wind power generation by installing Grid Side Storage Battery

- We are recruiting new wind power generation on the premise that businesses jointly pay the cost of grid side storage batteries.

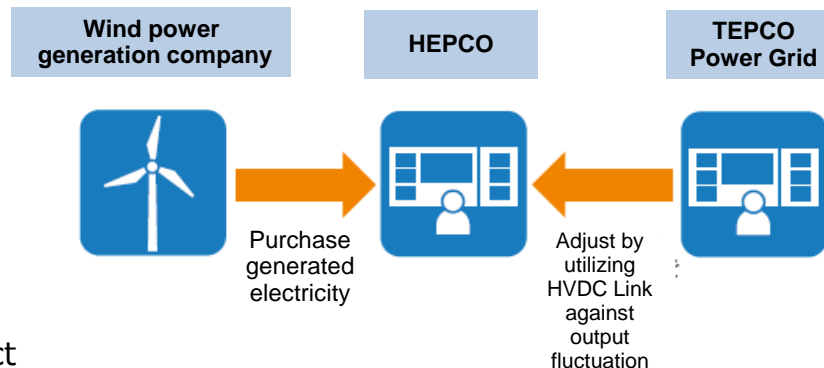
	Wind power generation recruitment volume	Guide of storage battery capacity	When to install storage batteries
Phase I	+ 600MW	About 90MW-4h	FY 2023
Phase II	+ 400MW	About 60MW-4h	Considering the introduction situation of Phase I

### ■ Large Power Storage System Demonstration Project

- We set up a large-sized storage battery at our substation and conducted demonstration tests to verify the performance as a new coordination power for renewable energy output fluctuation and establish optimum control technology.
- Rated output: 15,000 kW
- Storage capacity: 60,000 kWh

### ■ Demonstration Test for Expansion of Introduction of Wind Power Generation

- In cooperation with TEPCO Power Grid Inc., we will conduct a demonstration test utilizing the existing Kitahon HVDC Link and expand the introduction of 200MW of new wind power generation.



### ■ Effective Utilization of Transmission Lines

- We are trying to effectively utilize the unused capacity portion of the transmission line on the premise of suppressing the power generation output when the transmission capacity is exceeded.



## FY 2018 year-end dividend

- Regarding dividends of common stock, we will pay five yen per share, the same as in the previous term, and dividends on preferred stock in accordance with the articles of incorporation.

## FY 2019 dividend forecast

- Regarding dividend forecast, we can not predict business performance, so we declare that dividends on both common stock and preferred stock will be "undecided" for interim and year-end dividends.

### [Cash dividend]

	Cash dividends per share								
	Common stock			Class-A preferred Stock (470 shares)			Class-B preferred Stock (470 shares)		
	Interim	Year-ended	Annual total	Interim	Year-ended	Annual total	Interim	Year-ended	Annual total
FY 2018 (achievements)	—	¥5.00	¥5.00	—	¥3.8 million	¥3.8 million	/		
FY 2019 (forecast)	Undecided			/			Undecided		

## ■ Regarding Preferred Stock

- We decided to replace Class-A preferred Stock issued in July 2014 with Class-B preferred Stock with the aim of maintaining capital adequacy and reducing the preferential dividend burden. For the issue of new Class-B Preferred Stocks, we will submit a proposal to the shareholders' meeting to be held in June this year.

Items	Class-A preferred Stock	Class-B preferred Stock
Amount of funds procured	47 billion yen (As of April 2018 <sup>Note1</sup> )	47 billion yen
Issue Date	July 31, 2014	July 31, 2018 (planned)
Allottee	Development Bank of Japan Inc.	Development Bank of Japan Inc. Mizuho Bank, Ltd.
Preferred Dividend Rate	3.8%/year	3.0%/year
Rising preferential dividend rate	Rising (rising to 6.3%/year from August 1, 2019)	None
Date of Issue of Acquisition Request by Allottee	After August 1, 2019	After August 1, 2023

Note 1: Class-A preferred stock was originally 50 billion yen, but since it was partially acquired and cancelled in May 2016, it is now 47 billion yen.

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■ Financial Results and Forecasts

■ Financial Results for the Year  
Ended March 31, 2018

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# Summary of Financial Results

Points of Financial Results for the Year ended March 31, 2018 (April 1, 2017 – March 31, 2018)

Revenue	<p>[Increase factors]</p> <ul style="list-style-type: none"> <li>• The effect of the Fuel Cost Adjustment System due to higher fuel prices and the influence of the feed-in-tariff scheme for renewable energy, etc.</li> </ul> <p>[Decrease factors]</p> <ul style="list-style-type: none"> <li>• Decrease in electricity sales, and others</li> </ul>
Expenses	<p>[Increase factors]</p> <ul style="list-style-type: none"> <li>• Increase in fuel prices and increase in fuel costs due to a lower water flow rate in the previous year, the influence of the feed-in-tariff scheme for renewable energy, and other factors.</li> </ul> <p>[Decrease factors]</p> <ul style="list-style-type: none"> <li>• Maintenance costs decreased, caused by an decrease in the number of periodic inspections of the thermal power units</li> </ul>
Profit	<ul style="list-style-type: none"> <li>• Operating profit, ordinary profit and profit have increased</li> </ul>

(Billion yen)

	Consolidated				Non-consolidated			
	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Comparison (A) / (B) %	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Comparison (A) / (B) %
Operating Revenue	733.0	702.7	30.2	104.3	703.1	677.1	26.0	103.8
Operating Profit	33.7	27.4	6.2	122.9	27.3	20.2	7.0	135.0
Ordinary Profit	19.4	12.6	6.8	154.1	13.2	5.8	7.3	226.1
Profit <sup>[1]</sup>	16.5	8.7	7.7	188.2	13.1	5.1	7.9	254.6

1. "Profit" on the Consolidated Financial Results mentioned above means "Profit attributable to owners of parent" resulting from adoption of the "Accounting Standard for Business Combinations, and others"

# Statement of operations (Consolidated)

(Billion yen)

		April 1, 2017 – March 31, 2018(A)	April 1, 2016 – March 31, 2017 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%
Ordinary Revenue	Operating Revenue	733.0	702.7	30.2	104.3
	Electric utility operating revenue	701.5	675.4	26.0	103.9
	Other business operating revenue	31.5	27.3	4.2	115.5
	Non-operating Income	2.2	2.5	(0.3)	85.8
	Subtotal	735.2	705.3	29.9	104.2
Ordinary Expenses	Operating Expenses	699.3	675.3	23.9	103.6
	Electric utility operating expenses	671.8	652.0	19.8	103.0
	Other business operating expenses	27.4	23.3	4.1	117.8
	Non-operating Expenses	16.5	17.4	(0.9)	94.8
	Subtotal	715.8	692.7	23.0	103.3
[Operating Profit]		[33.7]	[27.4]	[6.2]	[122.9]
Ordinary Profit		19.4	12.6	6.8	154.1
Provision or reversal of reserve for fluctuation in water levels		(0.9)	1.2	(2.1)	—
Extraordinary loss		—	1.6	(1.6)	—
Profit before income taxes		20.3	9.7	10.5	208.6
Income taxes		3.1	0.4	2.6	640.6
Profit		17.1	9.2	7.9	185.4
Profit attributable to non-controlling interests		0.6	0.4	0.1	132.2
Profit attributable to owners of parent		16.5	8.7	7.7	188.2

(Appendix)	Comprehensive Income	15.9	10.8	5.0	146.4
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# Electricity sales

Total electricity sales have decreased by 7.5% compared to the previous year

- Total electricity sales decreased by 2,000 GWh (a decrease of 7.5% compared to the previous year) due to the influence of switching to other suppliers and other factors.

(GWh)

	April 1, 2017 – March 31, 2018(A)	April 1, 2016 – March 31, 2017 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%
Low-voltage customers	12,628	13,315	(687)	94.8
High-voltage and Extra High-voltage customers	12,178	13,491	(1,313)	90.3
Total	24,806	26,806	(2,000)	92.5

(°C)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature in 2017 - 2018	actual	0.8	6.8	13.3	15.1	22.0	20.6	17.0	10.6	4.1	(2.3)	(3.1)	(4.7)	1.9
	year-on- year	(0.6)	(0.2)	(0.6)	(0.3)	2.1	(2.6)	(1.8)	0.5	2.4	(0.8)	1.4	(2.1)	1.1
	deviation	0.8	0.6	1.9	(0.6)	2.6	(0.6)	(0.4)	(0.6)	(0.4)	(0.9)	1.2	(1.0)	1.8

# Power Supply

- Stable electric power supplies have been maintained through our appropriate operation of supply facilities, despite the shutdown of all units at the Tomari Power Station, a water flow rate of 94.9% lower than normal, and the unplanned suspension and output control of thermal power generation plants.

[Reasons for the increase/decrease from the previous term]

(Hokkaido Electric Power)

- Hydroelectric power; A water flow rate of 94.9%, lower than in the previous year, and other factors
  - Fossil Fuel; Although electricity sales decreased, a decrease in water flow rate, decrease in purchased and interchanged power, and others
  - Nuclear; Shutdown of all units at the Tomari Power Station.
- (Purchased and interchanged power)  
Decrease in thermal power generation of other supplier and others.

		(GWh)			
		April 1, 2017 – March 31, 2018(A)	April 1, 2016 – March 31, 2017 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%
Hokkaido Electric Power Co., Inc.	[Water flow rate %] Hydroelectric	[94.9%] 3,279	[111.5%] 3,846	[(16.6)%] (567)	85.3
	Fossil Fuel	21,029	20,569	460	102.2
	[Nuclear capacity ratio %] Nuclear	[—] —	[—] —	[—] —	—
	Renewable	148	135	13	109.6
	Subtotal	24,456	24,550	(94)	99.6
Purchased and interchanged power		3,584	5,458	(1,874)	65.7
Power used for pumped storage		(239)	(200)	(39)	119.7
Total		27,801	29,808	(2,007)	93.3



# Statement of Operations (Non-consolidated Revenue)

(Billion yen)

	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
<b>Operating Revenue</b>	703.1	677.1	26.0	[Factors for increase/decrease in Operating Revenue]  •Decrease in electricity sales; (22.2) •The effect of the Fuel Cost Adjustment System due to higher fuel prices; 33.9 •Increase in Grant under Act on Purchase of Renewable Energy Sourced Electricity; 6.7 •Increase in Surcharge for renewable energy; 5.3
Residential	273.7	275.7	(2.0)	
Commercial and Industrial	295.1	303.1	(8.0)	
Others	134.3	98.2	36.1	
<b>Non-operating Income</b>	2.1	2.9	(0.7)	
<b>Ordinary Revenue</b>	705.3	680.0	25.2	

# Statement of Operations (Non-consolidated Expenses and Income)

(Billion yen)

	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Personnel	53.1	53.3	(0.2)	
Fuel and Purchased Power	268.7	234.2	34.4	<ul style="list-style-type: none"> <li>• Decrease in electricity sales; (15.9)</li> <li>• Higher fuel prices; 28.1</li> </ul>
Fuel [included in “Fuel and Purchased Power”]	142.2	120.3	21.8	<ul style="list-style-type: none"> <li>• Decrease in hydroelectric power generation; 9.0</li> </ul>
Purchased Power [included in “Fuel and Purchased Power”]	126.5	113.9	12.5	<ul style="list-style-type: none"> <li>• Increase in amount of purchase of renewable energy; 6.7</li> </ul>
Maintenance	82.2	97.3	(15.0)	<ul style="list-style-type: none"> <li>• Decrease in the number of periodic inspections of the thermal power units; (10.0)</li> </ul>
Depreciation	77.6	79.5	(1.9)	<ul style="list-style-type: none"> <li>• Fixed percentage effect and others</li> </ul>
Interest Expenses	14.1	15.0	(0.9)	<ul style="list-style-type: none"> <li>• Decline in interest rates, and others</li> </ul>
Other Expenses	196.2	194.6	1.6	<ul style="list-style-type: none"> <li>• Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity and others</li> </ul>
Total	692.1	674.2	17.9	
[Operating Profit]	[27.3]	[20.2]	[7.0]	
Ordinary Profit	13.2	5.8	7.3	
Provision or reversal of reserve for fluctuation in water levels	(0.9)	1.2	(2.1)	
Extraordinary loss	—	1.5	(1.5)	
Income taxes	1.0	(2.0)	3.0	
Profit	13.1	5.1	7.9	

# ■ Key Factors Affecting Financial Results (Non-consolidated)

Ordinary Profit for the Year Ended March 31, 2017 : 5.8 billion yen

(Billion yen)

## Factors for improved performance

- Increase in electricity sales by the effect of the fuel adjustment system due to higher fuel prices 33.9
- Decrease in fuel costs through decrease in electricity sales 15.9
- Decrease in maintenance costs 15.0
  - 〔Decrease in the number of periodic inspection of the thermal power units〕
- Others 1.8
  - 〔Increase in electricity sales through Japan Electric Power Exchange and others〕

## Factors for weakened performance

- Increase in fuel costs through higher fuel prices 28.1
- Decrease in operating revenue due to decrease in electricity sales 22.2
- Increase in fuel costs through decrease in hydroelectric power generation 9.0

Balance: 7.3 billion yen

Ordinary Profit for the Year Ended March 31, 2018 : 13.2 billion yen

# Key Factors Affecting Financial Results (Non-consolidated)

Profit for the Year Ended March 31, 2017 : 5.1 billion yen

(Billion yen)

## Factors for improved performance

- Improvement in ordinary profit 7.3
- Provision and reversal of reserve for fluctuation in water levels 2.1
- Rebound from recording of extraordinary loss due to typhoon disasters in the previous fiscal year 1.5

## Factors for weakened performance

- Increase in income taxes 3.0

Balance: 7.9 billion yen

Profit for the Year Ended March 31, 2018 : 13.1 billion yen

■ Comparison with the forecasts of financial results published in January 2018  
 ~Key Factors Affecting Financial Results (Non-consolidated)

(the forecasts of financial results published in January 2018)

Ordinary Profit for the Year Ended March 31, 2018 : Approx. 8.0 billion yen

(Billion yen)

Factors for improved performance

- Decrease in fuel costs through increase in hydroelectric power generation 2.0
- Decrease in fuel costs through lower fuel prices 2.0
- Cost reduction through improved managerial efficiency 1.0

Factors for weakened performance

Balance: Approx. 5.0 billion yen

Ordinary Profit for the Year Ended March 31, 2018 : 13.2 billion yen

■ Comparison with the forecasts of financial results published in January 2018  
~Key Factors Affecting Financial Results (Non-consolidated)

(the forecasts of financial results published in January 2018)

Profit for the Year Ended March 31, 2018 : Approx. 9.0 billion yen

(Billion yen)

Factors for improved performance

- Improvement in ordinary profit 5.0

Factors for weakened performance

- Increase in income taxes 1.0

Balance: Approx. 4.0 billion yen

Profit for the Year Ended March 31, 2018 : 13.1 billion yen

# Balance Sheets (Consolidated/Non-consolidated)

(Billion yen)

		As of March 31, 2018(A)	As of March 31, 2017(B)	Increase/Decrease (A)-(B)	Major factors for increase/decrease (non-consolidated)
Assets	Consolidated	1,915.9	1,829.5	86.3	<ul style="list-style-type: none"> <li>•Decrease in property of Electric utility plant caused by depreciation; (77.6)</li> <li>•Capital expenditure; 131.5</li> <li>•Increase in cash and deposits; 27.1</li> </ul>
	Non-consolidated	1,854.2	1,768.9	85.2	
Liabilities	Consolidated	1,702.9	1,629.5	73.4	<ul style="list-style-type: none"> <li>•Increase in interest-bearing debt outstanding; 68.3</li> </ul>
	Non-consolidated	1,684.0	1,608.0	75.9	
Net Assets	Consolidated <sup>[1]</sup>	201.4	188.8	12.5	<ul style="list-style-type: none"> <li>•Posting profit; 13.1</li> <li>•Year-ended dividends for FY2017; (2.8)</li> <li>•Valuation difference on available-for-sale securities; (0.9)</li> </ul>
	Non-consolidated	170.2	160.8	9.3	

1. Consolidated data of Net Assets exclude non-controlling interests.

Interest-bearing Debt Outstanding (Billion yen)	Consolidated	1,426.8	1,355.9	70.8
	Non-consolidated	1,429.5	1,361.1	68.3
Shareholders' Equity Ratio (%)	Consolidated	10.5	10.3	0.2
	Non-consolidated	9.2	9.1	0.1

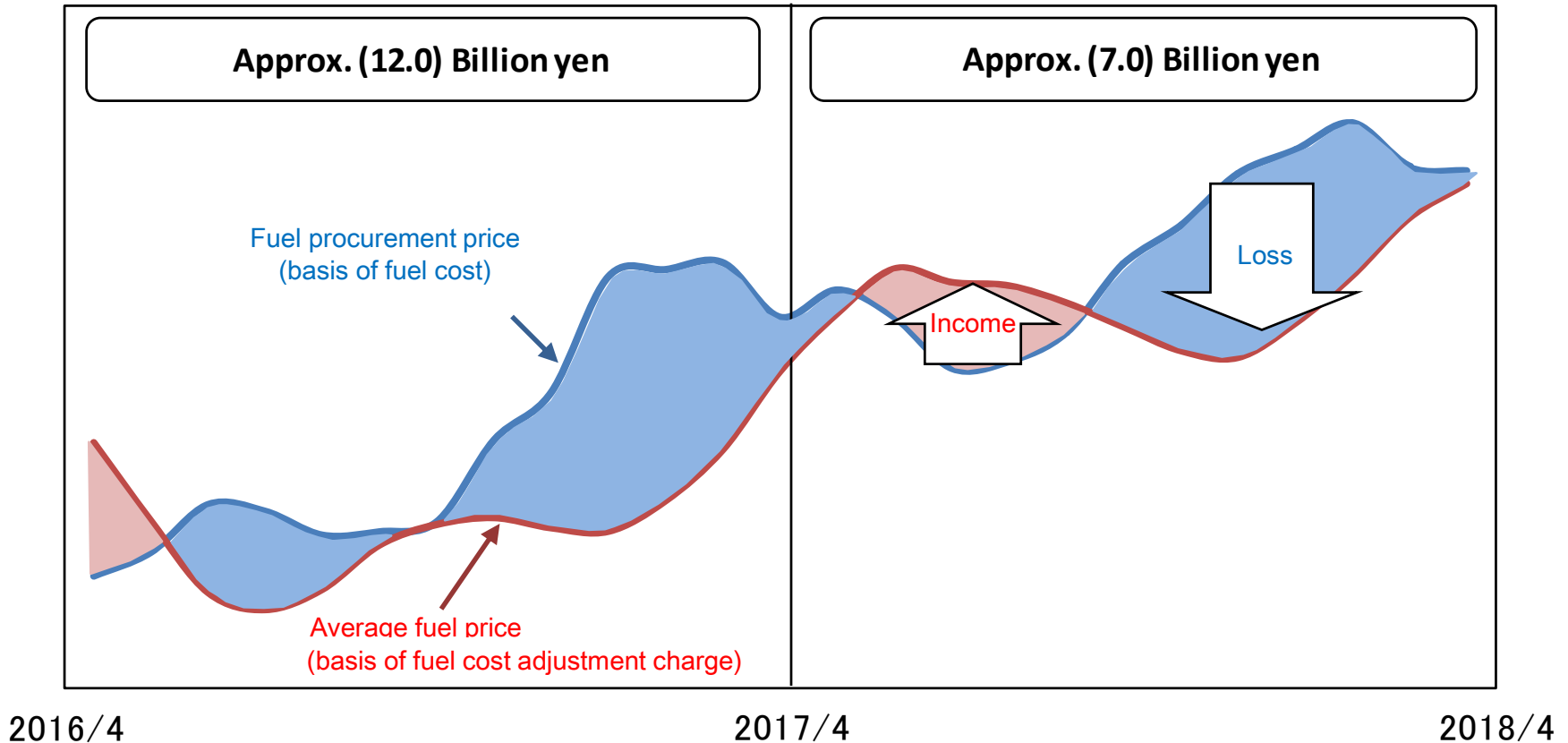
# Consolidated Cash Flows

(Billion yen)

	April 1, 2017 – March 31, 2018(A)	April 1, 2016 – March 31, 2017(B)	Increase/Decrease (A)-(B)
<b>Operating Activities</b>	107.0	67.0	39.9
Profit before income taxes [included in “Operating Activities”]	20.3	9.7	10.5
Depreciation and amortization [included in “Operating Activities”]	83.7	85.5	(1.7)
Increase (decrease) in accrued consumption taxes [included in “Operating Activities”]	9.7	(8.6)	18.3
<b>Investing Activities</b>	(145.3)	(145.2)	(0.1)
Purchase of noncurrent assets [included in “Investing Activities”]	(152.6)	(147.5)	(5.1)
Proceeds from contribution received for construction [included in “Investing Activities”]	7.2	3.5	3.7
<b>Net CF</b>	<b>(38.3)</b>	<b>(78.1)</b>	<b>39.8</b>
<b>Financing Activities</b>	66.3	57.3	9.0
Increase (decrease) in Interest-bearing Debts [included in “Financing Activities”]	70.8	66.9	3.9
<b>Net increase (decrease) in Cash &amp; Cash Equivalents</b>	<b>28.0</b>	<b>(20.7)</b>	<b>48.8</b>



■ (Reference) Impact of Accrued Income Incurred by Fuel Cost Adjustment System



Fluctuations in fuel prices cause a time lag between the payment of fuel cost and the reception of fuel cost adjustment charges, resulting in a temporary increase or decrease in profits. The time lag effect shown above is this temporary increase or decrease, assuming that a time lag does not take place.

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- Forecasts of Financial Results  
for the Year Ending March 31, 2019

## Forecasts of Financial Results

- Operating revenue for Consolidated results will be increased to approx. 750,000 million yen by approx. 17,000 million yen compared to the previous fiscal year, because of influence in fuel cost adjustments system by higher fuel prices, etc. , despite the decrease in electricity sales.
- The forecasts of Operating profit (loss), Ordinary profit (loss), and Profit (loss) are yet to be determined at this point. This is because expenses such as fuel costs cannot be assessed appropriately as we must monitor the situation of generating capacity from now on.
- These forecasts will be promptly released as soon as they are determined.

(Billion yen, TWh)

		April 1, 2018 – March 31, 2019 Forecast (A)	April 1, 2017 – March 31, 2018 (B)	Increase / Decrease (A) - (B)
Operating revenue	Consolidated	Approx. 750.0	733.0	Approx. 17.0
	Non-consolidated	Approx. 718.0	703.1	Approx. 15.0
[Comparison to last fiscal year] Electricity sales		[Approx. (6.0)%] Approx. 23.3	24.8	Approx. (1.5)

## Key Factors

Foreign Exchange Rate (yen/\$)	Approx. 110	111	Approx. (1.0)
CIF Crude Oil Price (\$/barrel)	Approx. 65	57.0	Approx. 8.0

## Dividends

- Regarding dividend forecasts, we can not predict business performance, so we declare that dividends on both common stock and preferred stock will be "undecided" for interim and year-end dividends.
- These forecasts will be promptly released as soon as they are determined.

## ■ Appendix

### [ Financial Results ]

<input type="checkbox"/> Expense breakdown (non-consolidated)	
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# Financial Results - Expense breakdown (Non-consolidated)

## Personnel

(Billion yen)

	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Personnel	53.1	53.3	(0.2)	

### 【Amortization of actuarial gains and losses】

\*Actuarial gains and losses are being amortized in the following 5 years in which the gains or losses are recognized by the straight-line method.

(Billion yen)

FY of accrual of the income	Amount accrued	Amortization of the previous year	April 1, 2017 – March 31, 2018		
			Amortization	Unamortized Balance	Ending FY [remaining year]
2012	(2.1)	(0.4)	—	—	—
2013	(8.9)	(1.8)	(1.8)	—	—
2014	(12.8)	(2.6)	(2.6)	(2.6)	2019 [1 years]
2015	6.9	1.4	1.4	2.8	2020 [2 years]
2016	5.0	1.0	1.0	3.0	2021 [3 years]
2017	1.4	—	0.3	1.1	2022 [4 years]
2018	(0.6)	—	—	(0.6)	2023 [5 years]
Total		(2.4)	(1.7)	3.7	

## Fuel and Purchased Power

(Billion yen)

		April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Fuel and Purchased Power		268.7	234.2	34.4	<ul style="list-style-type: none"> <li>• Decrease in electricity sales; (15.9)</li> <li>• Higher fuel prices; 28.1</li> <li>• Decrease in hydroelectric power generation; 9.0</li> <li>• Increase in amount of purchase of renewable energy ; 6.7</li> </ul>
Break down	Fuel	142.2	120.3	21.8	
	Purchased Power	126.5	113.9	12.5	

## Key Factors

	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	111	108	3
CIF Crude Oil Price (\$/barrel)	57.0	47.5	9.5
CIF Coal Price (\$/t)	102.4	80.5	21.9

# Financial Results - Expense breakdown (Non-consolidated)

## Maintenance

(Billion yen)

		April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Maintenance		82.2	97.3	(15.0)	<ul style="list-style-type: none"> <li>Decrease in the number of periodic inspections of the thermal power units;(10.0) [4 units → 2 units]</li> </ul>
Break down	Generation	41.7	54.3	(12.6)	
	Power- distribution	38.5	41.2	(2.6)	
	Others	1.8	1.7	0.1	

## Depreciation

(Billion yen)

		April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Depreciation		77.6	79.5	(1.9)	<ul style="list-style-type: none"> <li>Fixed percentage effect; (8.0)</li> <li>New acquisition of property and others; 6.1</li> </ul>
Break Down	Generation	43.8	45.1	(1.3)	
	Power- distribution	29.1	29.5	(0.4)	
	Others	4.7	4.8	(0.1)	



## Interest Expenses

(Billion yen)

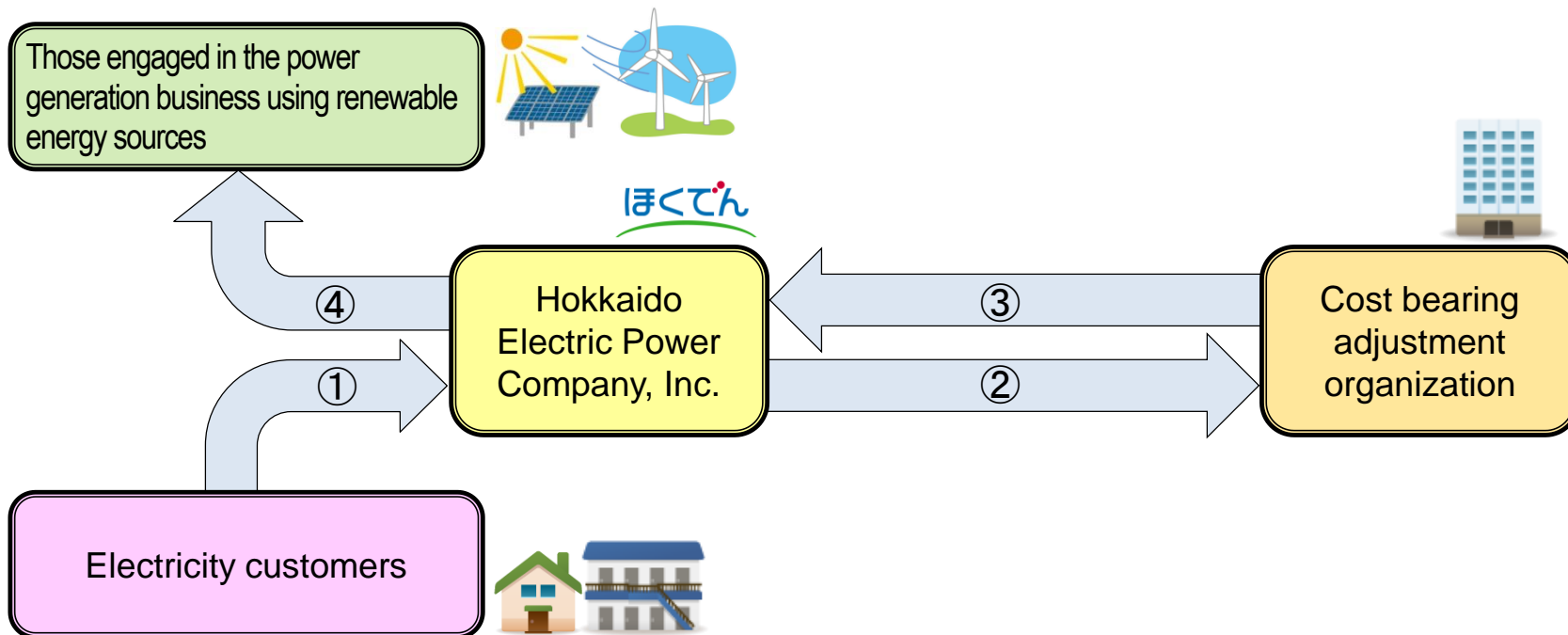
	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
[Interest(on average)%] Interest Expenses	[0.99] 14.1	[1.14] 15.0	[(0.15)] (0.9)	<ul style="list-style-type: none"> <li>Decline in interest rates; (1.9)</li> <li>Increase in interest-bearing debt outstanding; 1.0</li> </ul>

## Other Expenses

(Billion yen)

	April 1, 2017 – March 31, 2018 (A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Other Expenses	196.2	194.6	1.6	<ul style="list-style-type: none"> <li>Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity; 5.3</li> <li>Increase in cost of retirement of noncurrent assets; 2.1</li> <li>Others; (5.8)</li> </ul>

# Financial Results - Effect of the feed-in-tariff scheme for renewable energy



## Effect of the feed-in-tariff scheme for renewable energy [Details of FY 2018]

(Billion yen)

① Surcharge for renewable energy 58.6	② Levy under Act on Purchase of Renewable Energy Sourced Electricity 58.6
Collection of surcharge together with the electricity charge	Submission of the collected surcharge
③ Grant under Act on Purchase of Renewable Energy Sourced Electricity 61.4	④ Cost of Purchased power 81.5
Deliver of purchase cost excluding saved fuel cost and others made by purchasing electricity from renewable energy sources.	Purchase of electricity at a fixed price for a government guaranteed period

# Financial Results - Segment Information

(Billion yen)

		Reportable segment	Other	Total	Adjustments	Consolidated total
		Electric				
Operating Revenue	April 1, 2017 – March 31, 2018 (A)	702.6	128.2	830.9	(97.9)	733.0
	April 1, 2016 – March 31, 2017 (B)	676.6	130.7	807.4	(104.6)	702.7
	Increase/Decrease (A)-(B)	26.0	(2.4)	23.5	6.7	30.2
Operating Income	April 1, 2017 – March 31, 2018 (A)	27.4	5.6	33.0	0.6	33.7
	April 1, 2016 – March 31, 2017 (B)	20.0	5.8	25.9	1.4	27.4
	Increase/Decrease (A)-(B)	7.3	(0.2)	7.0	(0.7)	6.2

Electric	Supply of electricity
Other	Electric/telecommunications works, overall management of buildings, civil engineering and construction, periodic inspection/maintenance/repair works at the power plant and others

## Consolidated Statements of Comprehensive Income

(Billion yen)

	April 1, 2017 – March 31, 2018(A)	April 1, 2016 – March 31, 2017 (B)	Increase/ Decrease (A)-(B)
Profit	17.1	9.2	7.9
Other Comprehensive Income	(1.2)	1.6	(2.8)
Valuation difference on available-for-sale securities [included in “Other Comprehensive Income”]	(1.0)	2.8	(3.8)
Remeasurements of defined benefit plans [included in “Other Comprehensive Income”]	(0.1)	(1.1)	0.9
Comprehensive Income	15.9	10.8	5.0
Comprehensive income attributable to owners of parent [included in “Comprehensive Income”]	15.3	10.4	4.9
Comprehensive income attributable to non-controlling interests [included in “Comprehensive Income”]	0.5	0.4	0.1

This material is compiled based on data available as of May 11, 2018. The company makes no guarantee as to the reliability and integrity of such information, as this is not intended to serve as disclosure material as stipulated by the Financial Instruments and Exchange Law of Japan. Projections concerning future performance in this material make no guarantee as to the future performance and contain risk and uncertainty. Please note that future performance can change according to the change of preconditions concerning the management environment. The information herein is for the purpose of disclosure of operating information. None of the information is intended to solicit or induce investors to invest in our securities. Those wishing to use this material should do so at their own judgment and be sure to verify the information obtained from other sources. Our company assumes no responsibility for any damages resulting from the use of this material.

### *For further information*

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