
■ Financial Result for the Year Ended March 31, 2022

May 12, 2022

Hokkaido Electric Power Co., Inc.

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■ Financial Results and Forecasts

■ Consolidated – Business Results/Financial Status

【 Business results】

(Billion yen)

	April 1 –March 31, 2022 (A)	April 1 –March 31, 2021 (B)※	Increase/ Decrease (A)-(B)	Comparison (A)/(B) %
Operating Revenue	663.4	585.2	78.2	13.4
Operating Profit	24.9	53.7	(28.8)	(53.6)
Ordinary Profit	13.8	41.1	(27.3)	(66.4)
Profit attributable to owners of parent	6.8	36.1	(29.2)	(81.0)
Basic Earnings per Share [Yen]	26.57	169.09	(142.52)	

*From 1Q FY2022, the Accounting Rules for Electric Power Businesses were revised in tandem with the adoption of revenue recognition accounting standards, etc. The posting of revenue and expenses are not subject to impact related to the renewable energy fixed price purchasing system.

This presentation includes results for FY2021 therefore the aforementioned revisions have been applied retroactively and the figures have been recalculated accordingly.

【 Financial status】

(Billion yen)

	As of March 31, 2022 (A)	As of March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Assets	1,992.8	2,001.6	(8.7)
Net Assets	285.7	289.7	(4.0)
Shareholders' Equity Ratio	13.7%	13.8%	(0.1)%

Consolidated – Statement of Operations

(Billion yen)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B) %
Ordinary Revenue	Operating Revenues	663.4	585.2	78.2	13.4
	Electricity utility operating revenue	625.4	547.3	78.1	14.3
	Other business operating revenue	37.9	37.8	0.0	0.1
	Non-operating Income	3.4	1.6	1.7	100.4
Subtotal		666.8	586.9	79.9	13.6
Ordinary Revenue	Operating Expenses	638.4	531.4	107.0	20.1
	Electricity utility operating expenses	604.9	496.1	108.8	21.9
	Other business operating expenses	33.4	35.2	(1.7)	(5.1)
	Non-operating Expenses	14.5	14.3	0.2	1.5
Subtotal		652.9	545.7	107.2	19.6
[Operating Profit]		[24.9]	[53.7]	[(28.8)]	[(53.6)]
Ordinary Profit		13.8	41.1	(27.3)	(66.4)
Provision or reversal of reserve for fluctuation in water levels		0.1	(0.2)	0.3	—
Extraordinary loss		1.5	—	1.5	—
Profit before income taxes		12.1	41.4	(29.2)	(70.6)
Income taxes		4.8	5.0	(0.2)	(4.1)
Profit		7.3	36.3	(29.0)	(79.8)
Profit (Loss) attributable to non-controlling interests		0.4	0.1	0.2	154.1
Profit attributable to owners of parent		6.8	36.1	(29.2)	(81.0)
(Appendix)	Comprehensive Income	3.1	46.0	(42.9)	(93.2)

■ Outline of Consolidated Financial Results

Operating Revenue (Increased)	Increased 78.2 billion yen year-on-year to 663.4 billion yen, driven mainly by brisk wholesale sales and fuel cost adjustments associated with a rise in fuel prices.
Ordinary Income (Decreased)	Decreased 27.3 billion yen from the previous fiscal year to 13.8 billion yen affected mainly by the cold spell in the previous fiscal year and rises in fuel prices, despite increases driven by lower repair costs for power generation equipment and brisk wholesale sales.
Profit attributable to owners of parent	Decreased 29.2 billion yen from the previous fiscal year to 6.8 billion yen, as Loss on return of imbalance income and expenditure* was booked under extraordinary losses, in addition to a decrease in ordinary profit.

* Loss on return of imbalance income and expenditure

Provision of power requires balancing demand and supply at all times. If a gap emerges between the power generated by an electricity retailer and the demand forecast, general electricity transmission and distribution utilities charge a fee associated with supplying power to the electricity retailer (imbalance fee).

In January 2021, imbalance fees spiked and unit prices exceeded specified levels. In accordance with the discussion outcomes at a government council meeting in December 2021, Hokkaido Electric Power Network, Inc., a general electricity transmission and distribution utility, decided to deduct the excess amounts from future wheeling charges on such electricity retailers, aiming to support the business environment in which electricity retailers can continue to deliver power stably to customers.

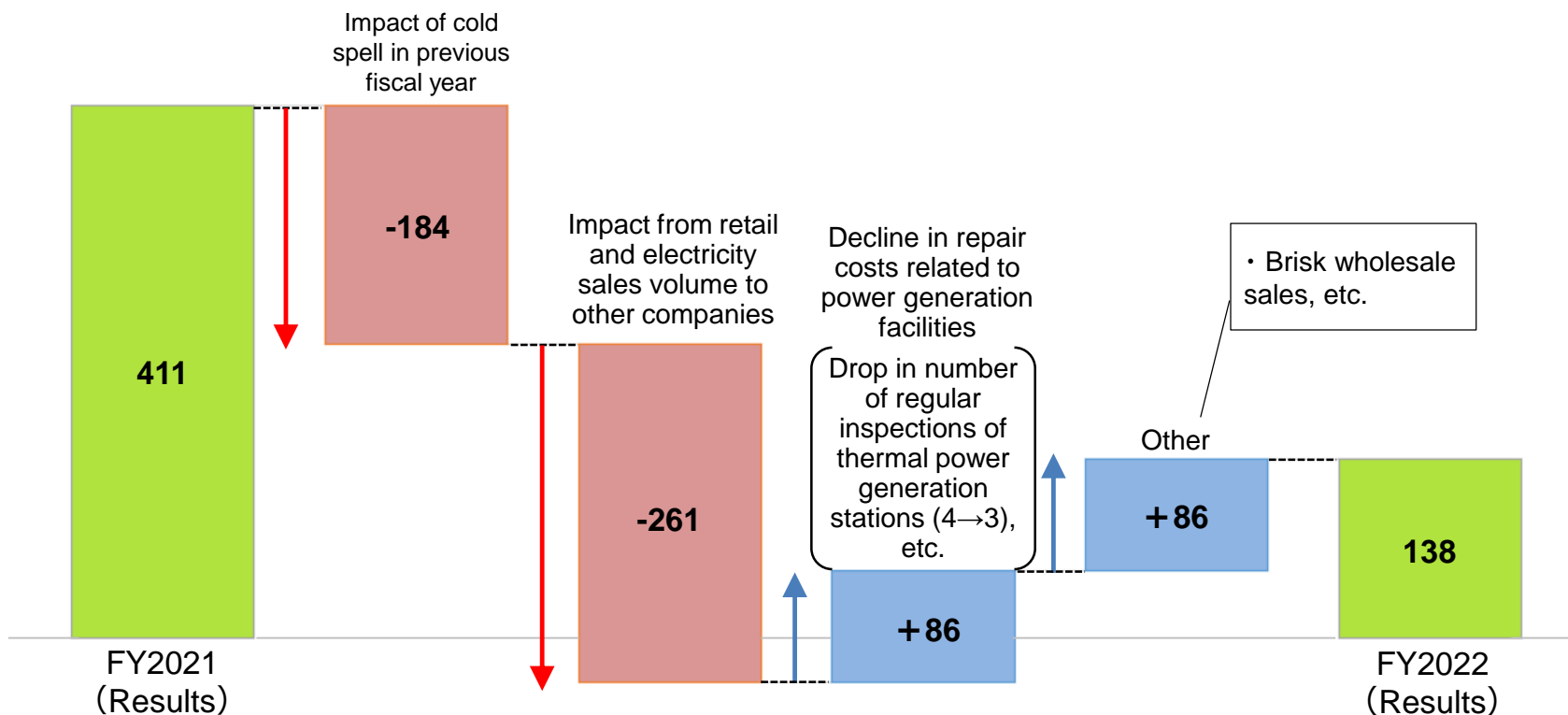
The expected reduction of the wheeling charges on electricity retailers under this measure are booked as an extraordinary loss as it is a temporary measure.

FY2022 Results (Consolidated Results)

Factors behind increase/decrease in ordinary income (compared to the same period of the previous year)

(Unit: 100 million yen)

FY2022 Results
(Comparison with the
previous year)



<FY2023 Consolidated Earnings Forecast>

The energy market remains unstable globally, affected by the situation in Ukraine. Prices of fuels, including oil, have been fluctuating wildly, making it difficult to calculate fuel cost adjustments and fuel costs.

Furthermore, rises in market prices of power have prompted some customers to switch their power providers. Until we gain visibility of future trends, it remains difficult to estimate power sales volume.

Given such a situation, we do not indicate net sales, profit and power sales volume figures in the FY2023 consolidated financial forecast.

We will notify you of these figures as soon as it becomes possible to estimate future earnings.

FY2022 Year-End Dividend

At their April 28 meeting, the Board of Directors comprehensively considered the financial results and financial position in FY2022 and the expected future management environment, with the policy of maintaining a stable dividend payout in mind, and resolved to submit the year-end dividend plan shown below to the 98th General Meeting of Shareholders scheduled on June 28, 2022.

- Common shares of the Company → 10 yen per share (total 2,056 million yen)
- Class B preferred shares of the Company → 1,500,000 yen per share (total 705 million yen)

FY2023 Dividend Forecasts

The interim and year-end dividend forecast for FY2023, by comprehensively considering the expected management environment and financial position over the medium to long term, with the policy of maintaining a stable dividend payout in mind, is shown below.

【 Cash Dividend per Share 】

	Common stock			Class-B preferred Stock		
	Interim	Year-ended	Annual total	Interim	Year-ended	Annual total
FY2022	¥10.00	¥10.00	¥20.00	¥1,500,000	¥1,500,000	¥3,000,000
FY2023 (forecast)	¥10.00	¥10.00	¥20.00	¥1,500,000	¥1,500,000	¥3,000,000

■ Financial Results Supplementary Materials

- Electricity Sales
- Monthly Retail Electricity Sales Trends at HEPCO
- Statement of Operations (Revenue)
- Power Supply
- Statement of Operations (Expenses and Ordinary Profit)
- Segment Information
- Statements of Cash Flow
- Time Lag Impact Incurred by Fuel Cost Adjustment System
- Expense breakdown (Two Companies Total)
 - Personnel
 - Fuel and Purchased Power、Key Factors
 - Maintenance、Depreciation
 - Interest Expenses、Other Expenses
- Key Factors・Sensitivity Factors
- Consolidated Statements of Balance Sheets
- Consolidated Statements of Comprehensive Income

Consolidated; Electricity Sales

- Electricity sales totaled 22,165 million kWh, down 2.3% from a year earlier, due mainly to a severe competitive environment that remains and a decrease in demand from heating due to the impact of higher atmospheric temperatures, despite our aggressive sales activity.
(Impact from COVID-19 pandemic: about -400 million kWh → about -300 million kWh)
- Electricity sales volume to other companies totaled 7,705 million kWh, up 99.1% from a year earlier, thanks to brisk wholesale sales.

			(GWh)			
			April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Comparison (A)/(B) %
Retail electricity sales	Low-voltage customers	Residential	8,365	8,765	(400)	(4.6)
		Commercial and Industrial	1,980	2,050	(70)	(3.4)
		subtotal	10,345	10,815	(470)	(4.3)
		High-voltage and Extra high-voltage customers	11,734	11,791	(57)	(0.5)
		Subtotal (*1)	22,079	22,606	(527)	(2.3)
		Other (*2)	86	77	9	11.4
		Total	22,165	22,683	(518)	(2.3)
Electricity sales to other utility			7,705	3,870	3,835	99.1
Total			29,870	26,553	3,317	12.5

*1: The figure in the subtotal column indicates the electricity sales volume for HEPCO.

*2: The figure in the other column indicates the electricity sales volume for both Hokkaido Electric Power Network and Hokkaido Electric Power Co-creation.

Monthly Retail Electricity Sales Trends at HEPCO

(GWh, %)

		FY2022												Total
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Low-voltage customers	Residential	765	726	516	560	648	546	554	681	730	1,029	838	772	8,365
	Commercial and industrial	174	121	75	86	106	83	83	112	174	385	318	263	1,980
	Subtotal	939	847	591	646	754	629	637	793	904	1,414	1,156	1,035	10,345
High-voltage and Extra High-voltage customers		918	860	851	1,005	954	890	935	949	1,106	1,146	1,039	1,081	11,734
(Rate of increase / decrease in the same month of the Previous year)		[0.0]	[(0.8)]	[(3.6)]	[0.8]	[(2.5)]	[(6.5)]	[(2.9)]	[(4.9)]	[(2.2)]	[(3.6)]	[(2.0)]	[(0.2)]	[(2.3)]
Total		1,857	1,707	1,442	1,651	1,708	1,519	1,572	1,742	2,010	2,560	2,195	2,116	22,079

(GWh, %)

		FY2021												Total
		Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Low-voltage customers	Residential	784	777	543	587	647	589	589	736	757	1,092	872	792	8,765
	Commercial and industrial	173	126	78	85	102	88	87	122	189	400	328	272	2,050
	Subtotal	957	903	621	672	749	677	676	858	946	1,492	1,200	1,064	10,815
High-voltage and Extra High-voltage customers		899	819	874	966	1,001	948	944	973	1,109	1,163	1,039	1,056	11,791
(Rate of increase / decrease in the same month of the Previous year)		[(4.5)]	[(4.3)]	[(2.3)]	[3.5]	[(2.2)]	[(4.9)]	[(2.1)]	[0.4]	[0.6]	[3.4]	[(25.3)]	[(6.4)]	[(4.6)]
Total		1,856	1,722	1,495	1,638	1,750	1,625	1,620	1,831	2,055	2,655	2,239	2,120	22,606

【Average temperature in Hokkaido】

(℃)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature (2021~2022)	actual	3.1	7.1	12.4	17.8	22.9	21.8	18.0	11.9	6.9	(0.7)	(3.9)	(3.0)	2.0
	year-on-year	0.5	1.1	(0.3)	0.5	2.7	(0.6)	(1.3)	(0.6)	0.9	1.4	1.2	(0.1)	(1.1)
	deviation	3.0	0.9	1.0	2.1	3.5	0.6	0.6	0.7	2.4	0.7	0.4	0.7	1.9

Consolidated; Statement of Operations (Revenue)

(Unit: billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Comparison (A)/(B)%	Major cause of increase/decrease
Operating Revenue	663.4	585.2	78.2	13.4	
Electric utility operating revenue	625.4	547.3	78.1	14.3	
Two companies total					
Commercial and Industrial	460.2	435.6	24.6	5.7	<ul style="list-style-type: none"> · Increase in fuel cost adjustments · Decrease in retail electricity sales volume, etc.
Others	166.3	113.0	53.2	47.1	· Increase in power prices between zones/for sales to other companies
Sold power to other utilities & Sold power to other suppliers (Repost)	109.1	57.8	51.2	88.7	[Increase factor] · Increases due to brisk wholesale sales [Decrease factor]
Transmission revenue (Repost)	49.4	50.0	(0.5)	(1.1)	· Decreases due to cold spell in previous fiscal year
Subsidiary / consolidation revision	(1.1)	(1.3)	0.2	—	
Other business operating revenue	37.9	37.8	0.0	0.1	
Non-operating Income	3.4	1.6	1.7	100.4	
Ordinary Revenue	666.8	586.9	79.9	13.6	

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

- We were able to maintain a stable supply by appropriately managing the supply equipment during a time when all units at the Tomari power plant were suspended and the flow rate was below the annual average at 96.2%.

(GWh)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Comparison (A)/(B)%
Generated Power	【Water flow rate %】 Hydroelectric	[96.2%] 3,454	[92.3%] 3,450	[3.9%] 4	0.1
	Fossil Fuel	19,554	18,007	1,547	8.6
	【Nuclear capacity ratio%】 Nuclear	[–] –	[–] –	[–] –	–
	Renewable	113	129	(16)	(12.1)
	Subtotal	23,121	21,568	1,535	7.1
Power received by other companies*		9,851	7,998	1,853	23.2
Power used for pumped storage		(203)	(225)	22	(9.6)
Total		32,769	29,359	3,410	11.6

※Power received by other companies include the amount of power received from consolidated subsidiaries Hokkaido Power Engineering Co., Inc. and HOKUDEN ECO-ENERGY Co., Inc..

Consolidated; Statement of Operations (Expenses and Ordinary Profit)

(Unit: billion yen)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase / Decrease (A) - (B)	Comparison (A)/(B)%	Major cause of increase/decrease
Electric utility operating expenses		604.9	496.1	108.8	21.9	
Two companies total	Personnel	55.0	56.5	(1.5)	(2.8)	・ Decrease in retirement benefit expenses
	Fuel	161.0	88.7	72.2	81.4	[Increase factors] ・ Fuel price rises ・ Increases in electricity sales volume to other companies
	Purchased Power	122.4	78.1	44.2	56.6	[Decrease factors] ・ Reduction in thermal operation due to impact of cold spell in previous fiscal year
	Maintenance	61.5	69.9	(8.3)	(12.0)	・ Decreases in repair expenses for power generation equipment
	Depreciation	70.0	72.1	(2.0)	(2.9)	・ Impact of completion of depreciation at end of previous fiscal year
	Other Expenses	138.6	132.7	5.8	4.4	・ Increase in loss on retirement of non-current assets
	Subsidiary / consolidation revision	(3.7)	(2.2)	(1.5)	—	
Other business operating expenses		33.4	35.2	(1.7)	(5.1)	
Non-operating Expenses		14.5	14.3	0.2	1.5	
	Interest Expenses(Repost)	9.5	10.4	(0.8)	(8.5)	・ Lower interest rates
Ordinary Expenses		652.9	545.7	107.2	19.6	
Ordinary profit		13.8	41.1	(27.3)	(66.4)	

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

Consolidated; Segment Information

- Revenue of the HEPCO segment increased 59.2 billion yen from a year earlier to 597.9 billion yen, while segment ordinary income fell 24.2 billion yen to 12.0 billion yen due mainly to the cold spell in the previous fiscal year and a rise in fuel prices, despite some increases driven by a decrease in repair costs for power generation equipment, brisk wholesale sales, etc.
- Hokkaido Electric Power Network segment revenue rose 24.2 billion yen from a year earlier to 267.9 billion yen, but the segment posted ordinary loss of 4.4 billion yen due mainly to an increase in costs related to supply-demand adjustment, despite streamlining efforts made across all aspects of operation, including active engagement in *kaizen* activities, amid slumping demand in the Hokkaido area.
- Other segment revenue dropped 3.2 billion yen from a year earlier to 136.3 billion yen, while segment ordinary income came to 7.9 billion yen, up 3.2 billion yen from a year earlier, driven mainly by an increase in fees on leasing cables to mobile carriers in the telecommunication business.

(Unit: billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Operating Revenue	663.4	585.2	78.2
Hokkaido Electric Power Company	597.9	538.6	59.2
Hokkaido Electric Power Network	267.9	243.7	24.2
Other *1	136.3	139.6	(3.2)
Adjustments *2	(338.8)	(336.8)	(1.9)
Segment Income (Ordinary Income)	13.8	41.1	(27.3)
Hokkaido Electric Power Company	12.0	36.2	(24.2)
Hokkaido Electric Power Network	(4.4)	1.1	(5.6)
Other *1	7.9	4.7	3.2
Adjustments *2	(1.6)	(1.0)	(0.6)

*1 “Other” refers to the results of consolidated subsidiaries other than Hokkaido Electric Power Company and Hokkaido Electric Power Network segments.

*2 “Adjustments” refer to the amount of elimination of inter-segment transactions in the consolidated financial results.

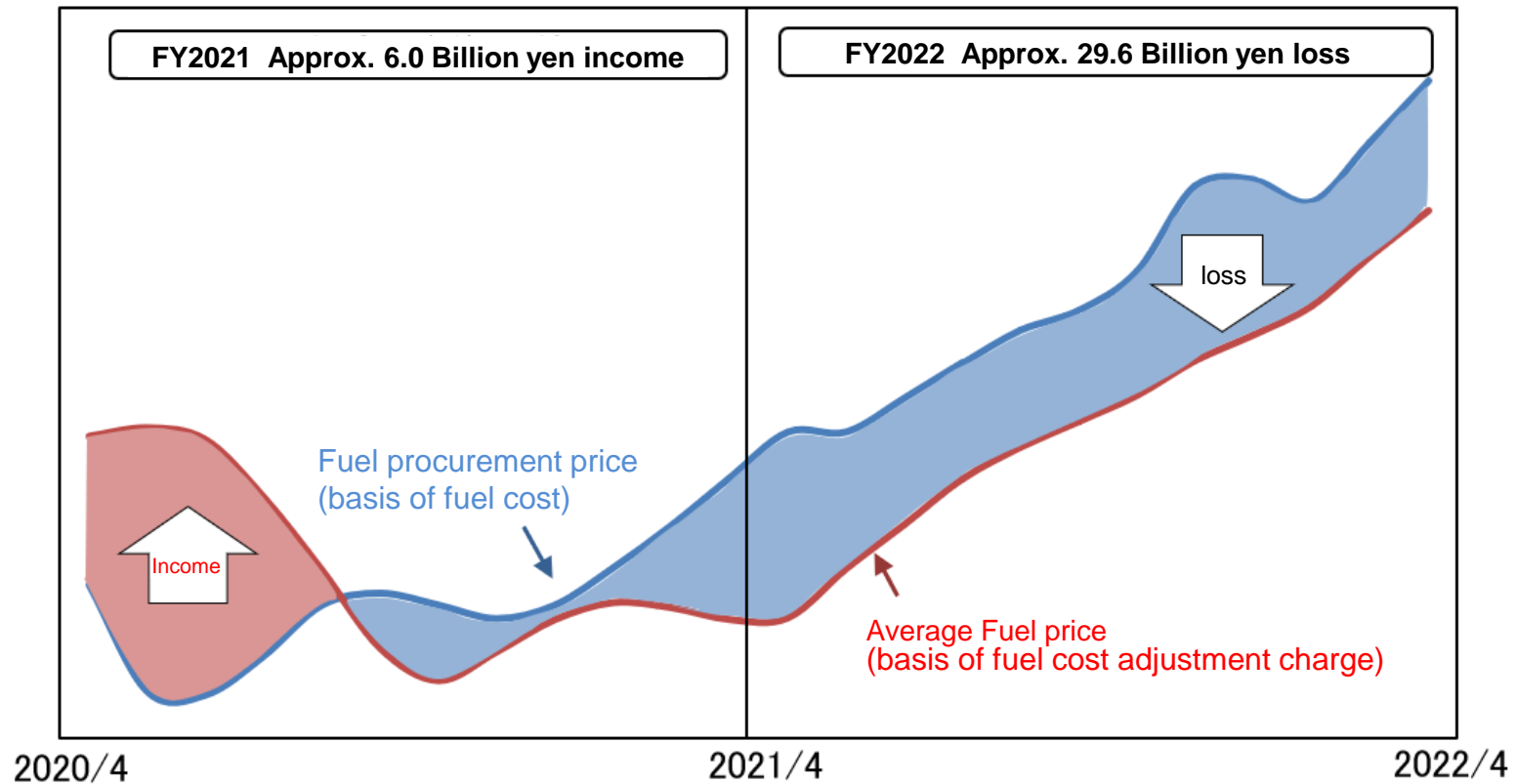
Consolidated; Statements of Cash Flow

- Cash flows from operating activities resulted in a gain of 102.3 billion yen, down 34.2 billion yen from a year earlier, due mainly to a drop in profit before income taxes.
- Cash flows from investing activities resulted in net cash used of 77.7 billion yen, down 7.8 billion yen from a year earlier, due mainly to a decrease in purchase of non-current assets.
- Cash flows from financing activities resulted in net cash used of 19.4 billion yen due mainly to a decrease in interest-bearing debt.
- As a result of the above, cash and cash equivalents increased 5.1 billion yen to 88.8 billion yen.

(billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase / Decrease (A) - (B)
I . Cash flows from operating activities	102.3	136.5	(34.2)
II . Cash flows from investing activities	(77.7)	(85.6)	7.8
Deductible cash flow [I + II]	24.6	50.9	(26.3)
III . Cash flows from financing activities	(19.4)	(24.6)	5.1
IV . Net increase (decrease) in cash and cash equivalents [I + II + III]	5.1	26.2	(21.1)
V . Net increase (decrease) in Cash & Cash Equivalents	88.8	83.7	5.1

Time Lag Impact Incurred by Fuel Cost Adjustment System



*The time lag impact is a mechanical calculation of the difference between the "actual fuel cost adjustment amount" and the "fuel cost adjustment amount that does not take into account the time lag."

Expense breakdown (Two Companies Total*)

◆ Personnel

(Billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Personnel	55.0	56.5	(1.5)	・ Decrease in retirement benefit costs [(2.0)]

【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.

*A half of the annual depreciation expense was posted in the current midterm.

(Billion yen)

	Amount accrued	Amortization of the previous year	April 1, 2021 – March 31, 2022		
			Amortization	Unamortized Balance	Ending FY [remaining year]
FY2016	5.0	1.0	—	—	—
FY2017	1.4	0.3	0.3	—	—
FY2018	(0.6)	(0.1)	(0.1)	(0.1)	2023 (1 years)
FY2019	1.4	0.3	0.3	0.6	2024 (2 years)
FY2020	3.7	0.7	0.7	2.2	2025 (3 years)
FY2021	(4.6)	—	(0.9)	(3.7)	2026 (4 years)
FY2022	5.3	—	—	5.3	2027 (5 years)
Total		2.2	0.3	4.3	

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

Expense breakdown (Two Companies Total*)

◆Fuel and Purchased Power

(Billion yen)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Fuel and Purchased Power		283.4	166.9	116.5	[Cause of increase] ・ Rise in fuel prices [67.2] ・ Increase in electricity sales volume to other companies [37.0]
Break down	Fuel	161.0	88.7	72.2	
	Purchased Power	122.4	78.1	44.2	

Key Factors

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	112	106	6
CIF Crude Oil Price (\$/barrel)	77.3	43.4	33.9
CIF Coal Price (\$/t)	158.6	79.8	78.8

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

Expense breakdown (Two Companies Total*)

◆Maintenance

(Billion yen)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Maintenance		61.5	69.9	(8.3)	<ul style="list-style-type: none"> Decline in repair costs associated with power generation facilities [(8.2)]
Break Down	Generation	28.0	36.2	(8.1)	
	Others	33.4	33.6	(0.1)	

◆Depreciation

(Billion yen)

		April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Depreciation		70.0	72.1	(2.0)	<ul style="list-style-type: none"> Impact of completion of depreciation at end of previous fiscal year
Break Down	Generation	40.3	40.6	(0.3)	
	Others	29.7	31.4	(1.6)	

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

Expense breakdown (Two Companies Total*)

◆Interest Expenses

(Billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
[Interest(on average)%] Interest Expenses	[0.67] 9.5	[0.72] 10.4	[(0.05)] (0.8)	• Decrease in interest rates

◆Other Expenses

(Billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Other Expenses	138.6	132.7	5.8	• Increase in loss on retirement of non-current assets (4.5)

*The total amount of the two companies represents the sum of the results of Hokkaido Electric Power Co., Inc. and Hokkaido Electric Power Network Co., Inc. after elimination of internal transactions.

Key Factors

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (Yen/\$)	112	106	6
CIF Crude Oil Price (\$/barrel)	77.3	43.4	33.9
Water Flow Rate (%)	96.2	92.3	3.9

Sensitivity Factors

(Billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (1Yen/\$)	1.4	0.7	0.7
CIF Crude Oil Price (1\$/barrel)	0.6	0.5	0.1
Water Flow Rate (1%)	0.5	0.3	0.2

Consolidated Statements of Balance Sheets

(Unit: billion yen)

	As of March 31, 2022(A)	As of March 31, 2021(B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Assets	1,992.8	2,001.6	(8.7)	<ul style="list-style-type: none"> Decrease in power business non-current assets due to depreciation [(39.1)] Increase in construction in progress [19.1] Increase in inventories [6.0]
Liabilities	1,707.1	1,711.9	(4.7)	<ul style="list-style-type: none"> Decrease in interest-bearing debt [(12.0)]
Net Assets	285.7	289.7	(4.0)	<ul style="list-style-type: none"> Net profit booked [6.8] Dividend payout [(6.5)] Decrease in remeasurements of defined benefit plans [(3.4)]

(Billion yen, %)

	As of March 31, 2022(A)	As of March 31, 2021(B)	Increase/ Decrease (A)-(B)
Interest-bearing Debt Outstanding	1,385.3	1,397.3	(12.0)
Shareholders' Equity Ratio	13.7	13.8	(0.1)

Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income

(Billion yen)

	April 1, 2021 – March 31, 2022 (A)	April 1, 2020 – March 31, 2021 (B)	Increase/ Decrease (A)-(B)
Profit	7.3	36.3	(29.0)
Other Comprehensive Income	(4.1)	9.7	(13.9)
Valuation difference on available-for-sale securities [included in “Other Comprehensive Income”]	(0.9)	3.0	(3.8)
Deferred gains or losses on hedge [included in “Other Comprehensive Income”]	0.0	(0.0)	0.0
Remeasurements of defined benefit plans [included in “Other Comprehensive Income”]	(3.3)	6.6	(10.0)
Comprehensive Income	3.1	46.0	(42.9)
Comprehensive income attributable to owners of parent [included in “Comprehensive Income”]	2.5	45.7	(43.1)
Comprehensive income attributable to non-controlling interests [included in “Comprehensive Income”]	0.5	0.3	0.2

■ Efforts by Management
(Overview of Business Plans -
Additional Explanatory Material)

■ [Management Vision] Management Goals for 2030

2030 Vision Targets		FY2021 Actual	FY2022 Actual
Target profit (Consolidated ordinary income)	<ul style="list-style-type: none"> ▶ Phase I: min. 23.0B yen/year ▶ Phase II: min. 45.0B yen/year 	41.1B yen	13.8B yen
Financial target (Consolidated capital ratio)	15%+	13.8%	13.7%
Invest in new priority businesses* *Renewable power generation, overseas electricity business, and other energy-related businesses	Total 50.0B yen of investment	3.2B yen (cumulative total 3.2B yen)	6.6B yen (cumulative total 9.8B yen)
Indicators toward growth	▶ Power retail/wholesale: min. 30.0B kWh/year (inc. outside Hokkaido; ex. NW wholesale)	24.4B kWh	26.2B kWh
	▶ Gas supply business: min. 100 kt/year	3 kt	8 kt
	▶ Renewable power generation: up min. 0.3M kW (inc. outside Hokkaido)	Cumulative total 39K kW	Cumulative total 41K kW
Environmental target (CO ₂ emissions reduction/year)	Cut min. 50% from FY2014 levels (min. -10M t/year)	28% reduced (-5.35M t/year)	Similar to FY2021
[Actual CO ₂ emissions]	[FY2014: 18.92M t]	[13.57M t]	

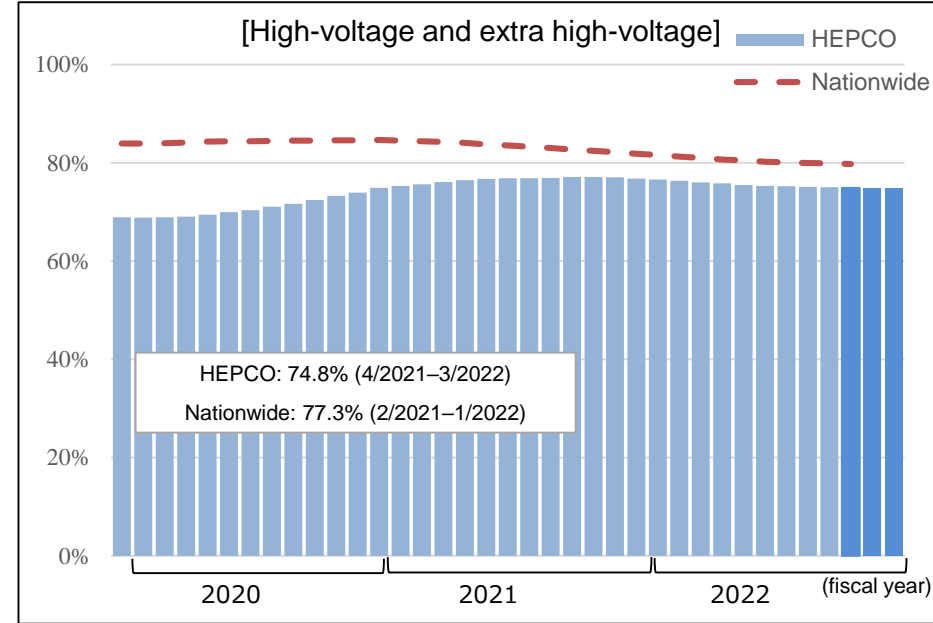
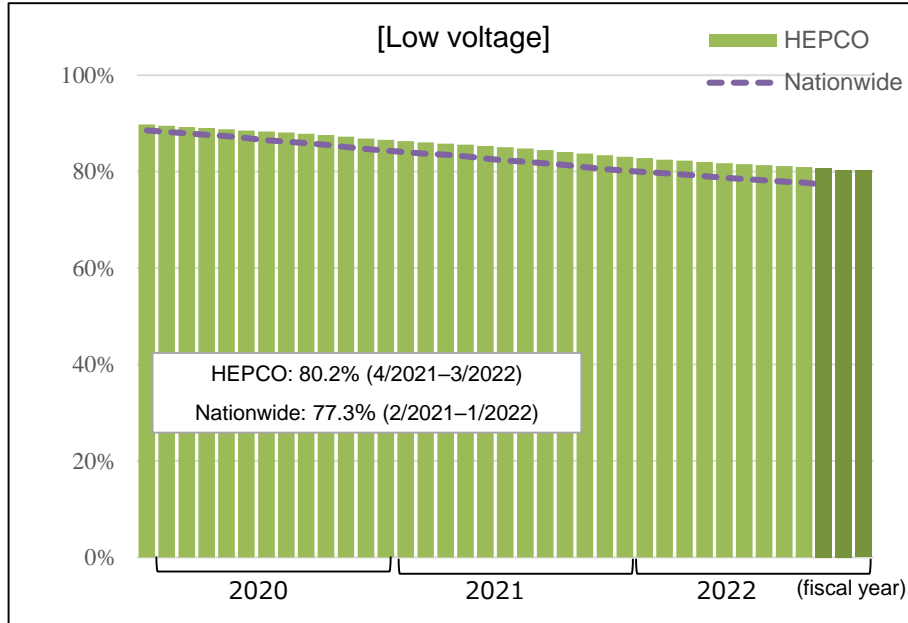
Electricity Retail Sales

HEPCO's historical share (kWh) in Hokkaido area*

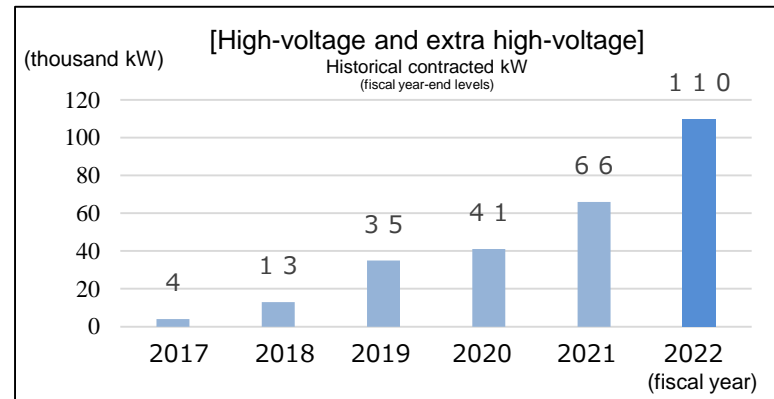
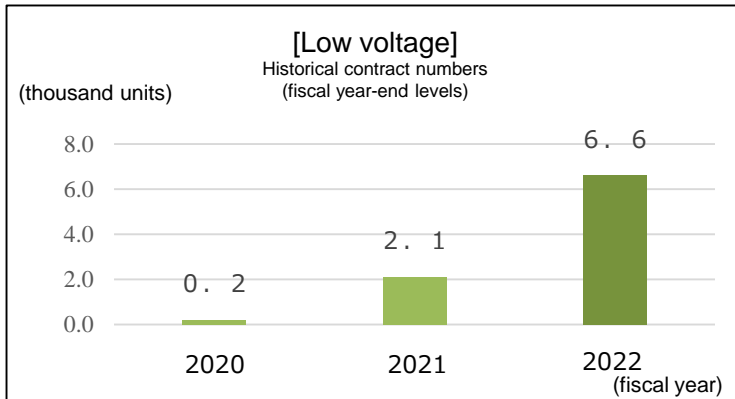
*Nationwide: Average share (kWh) in each supply area of former general electric power companies

*Calculated based on data in the electricity trading bulletin released by the Electricity and Gas Market Surveillance Commission

*Moving average for the total for the past 12 months (including HEPCO estimates)



Performance of Tokyo metropolitan area sales

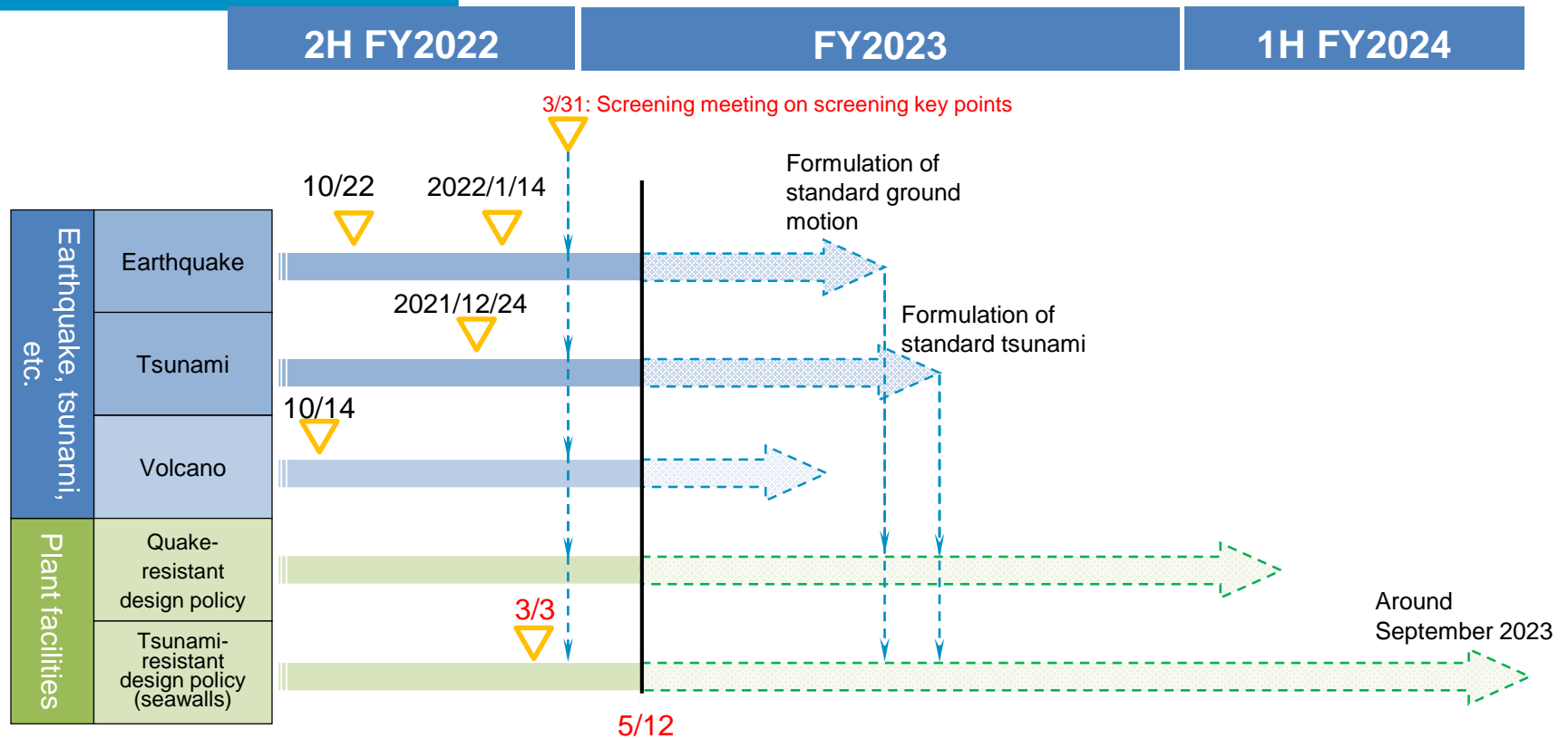


■ Efforts to Speed Up Restart of Tomari Nuclear Power Station

- Screening meetings discussed seawall design policy on March 3, 2022 and key points of screening on March 31.
- President and regulatory committee exchanged views on April 12 on outcomes of March 31 screening meeting. With the opinions received from the regulatory committee in mind, we will put effort into efficient screening response, enlisting external support from other companies going ahead of us, work to strengthen the structure and actively communicate with regulatory authorities.
- Going forward, we will explain screening items, including earthquakes and tsunami, as well as screening items for plant facilities concurrently and aim to complete responses by around September 2023.

Schedule for explanation on screening items

▽ : Screening meeting



Situation of ground motion evaluation

- We compiled* the results of the ground motion evaluation worked out without pinpointing the epicenter and a correction report on the application form for permission to make changes to installation of the nuclear power station to the Nuclear Regulation Authority, in accordance with the revisions in screening guides, etc.
At a screening meeting on Jan. 14, 2022, we explained ground motion that takes account of standard design response spectrum. One comment we received was that validity of setting a new subterranean structure model is not shown. We will continue discussions and provide further explanation at screening meetings, etc.

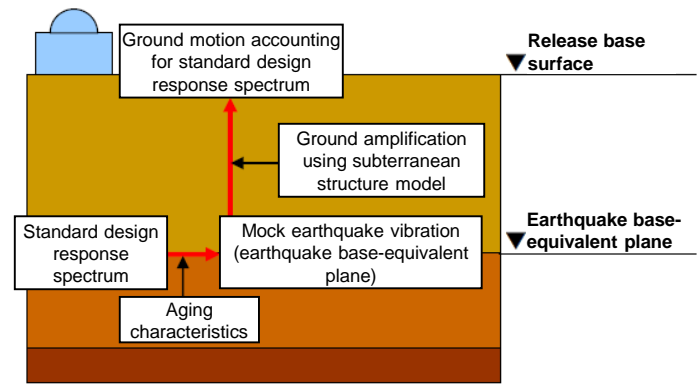
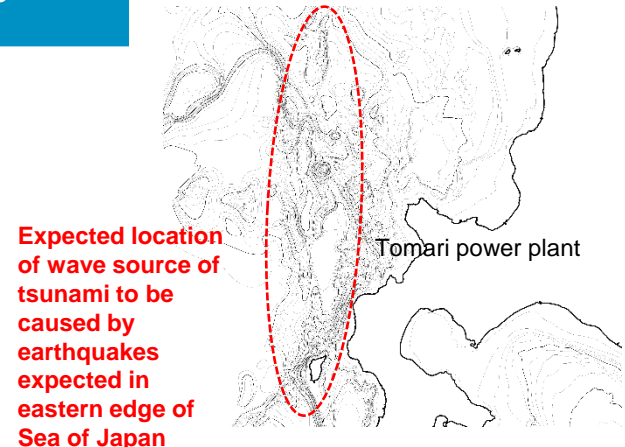


Image of ground motion evaluation taking account of standard design response spectrum

* Reactor 3: Sept. 29, 2021 / Reactors 1&2: Jan. 11, 2022

Situation evaluation of tsunami to be caused by earthquakes expected in eastern area of Sea of Japan

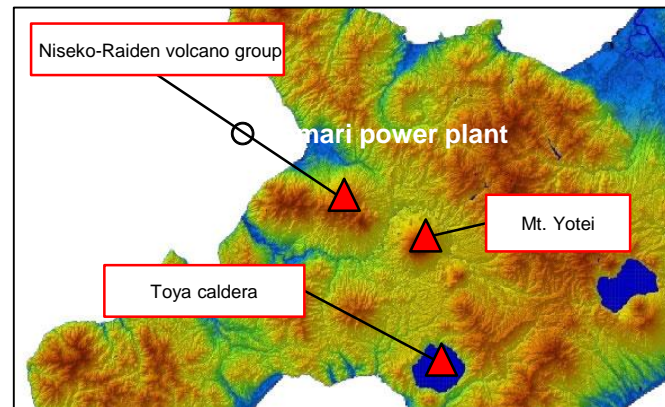
- At a screening meeting on Dec. 24, 2021, we explained the validity of wave source assumptions, numerical simulation results, etc. regarding evaluation of tsunami to be induced by earthquakes expected to hit the eastern edge of the Sea of Japan. One comment was that we should consider a case in which the location of the fault is shifted to the western side. We will summarize the discussions and provide further explanation at screening meetings, etc.



Expected location of wave source of tsunami to be caused by earthquakes expected in eastern edge of Sea of Japan

Situation of screening on volcano impact evaluation

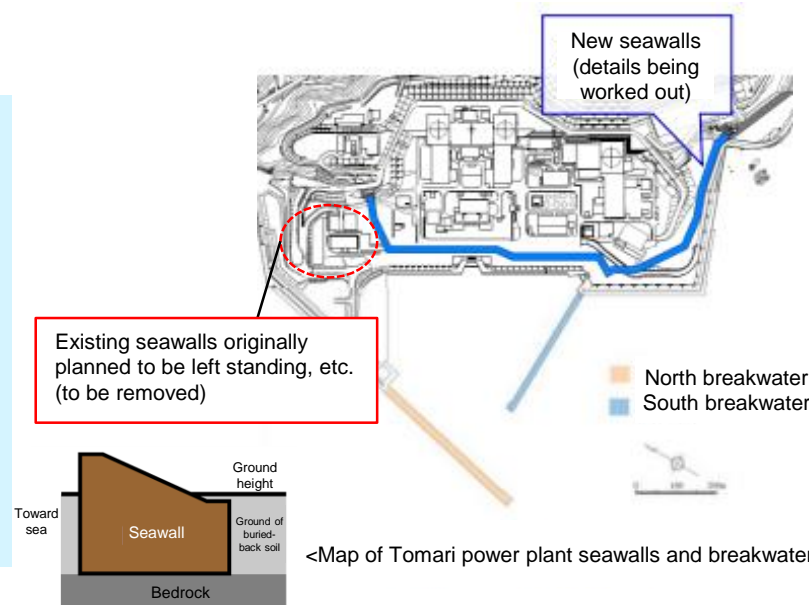
- At a screening meeting on Oct. 14, 2021, we briefed on volcanic activity possibility evaluation and effective volcano-monitoring methods. One comment we received was that we should prepare a report on the latest findings about volcanoes located within a 160 km radius from the site. We will revise the materials and provide further explanation at screening meetings, etc.



<Volcanoes subject to monitoring>

Screening status of plant facilities

- At a screening meeting on March 3, 2022, we briefed on the design policy for new seawalls. One comment we received was that we should offer explanation on the expected impact on the new seawalls if existing seawalls to be left standing, etc. are destroyed by earthquakes or tsunami.
- In response, we explained that we will remove the part of the existing seawalls we had said would leave standing at a screening meeting on March 31, 2022.
- We will continue discussions and provide further explanation at future screening meetings, etc.



<Map of Tomari power plant seawalls and breakwaters>

<Summary of changes to seawall design>

■ [Reference] Outline of Thermal Power Plants

Power generation facility		Unit	Rated output (10,000 kW)	Period of Operation*	Power generation method	Record of suspension or decommissioning of facilities
Coal	Naie	1	17.5	53 years and 10 months	Sub-C	March 2019 (suspended)
		2	17.5	52 years and 1 month	Sub-C	March 2019 (suspended)
	Sunagawa	3	12.5	44 years and 9 months	Sub-C	
		4	12.5	39 years and 10 months	Sub-C	
	Tomatoh -Atsuma	1	35	41 years and 5 months	Sub-C	
		2	60	36 years and 5 months	SC	
		4	70	19 years and 9 months	USC	
Oil	Tomakomai	1	25	48 years and 4 months	—	
	Date	1	35	43 years and 4 months	—	
		2	35	42 years and 0 month	—	
	Shiriuchi	1	35	38 years and 3 months	—	
		2	35	23 years and 6 months	—	
	Onbetsu	1	7.4	43 years and 10 months	—	Pending (to be decommissioned)
		2	7.4	43 years and 10 months	—	Pending (to be decommissioned)
LNG	Ishikariwan Shinko	1	56.94	3 years and 1 month	—	

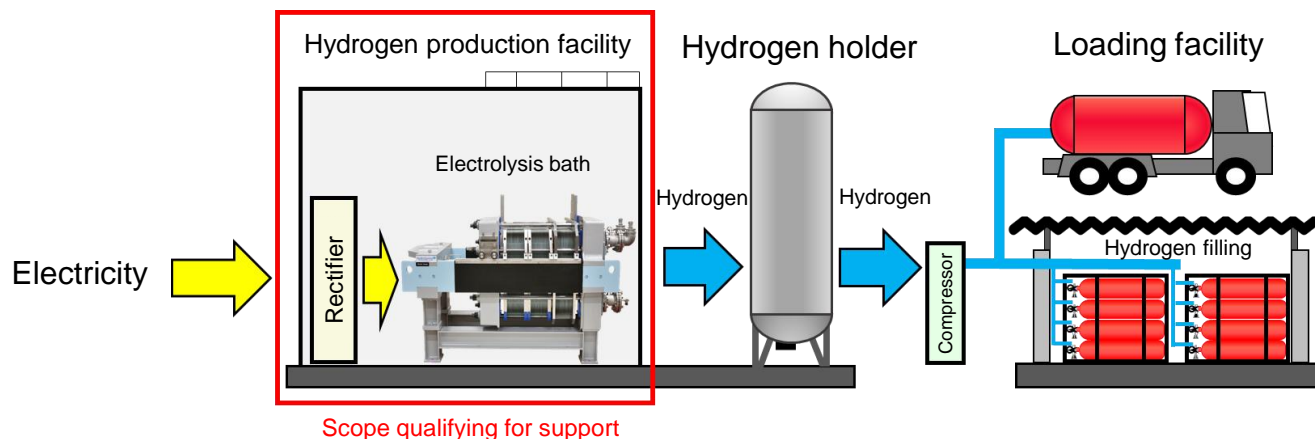
*as of the end of March 2022

■ Introduction of Hydrogen Production Facility

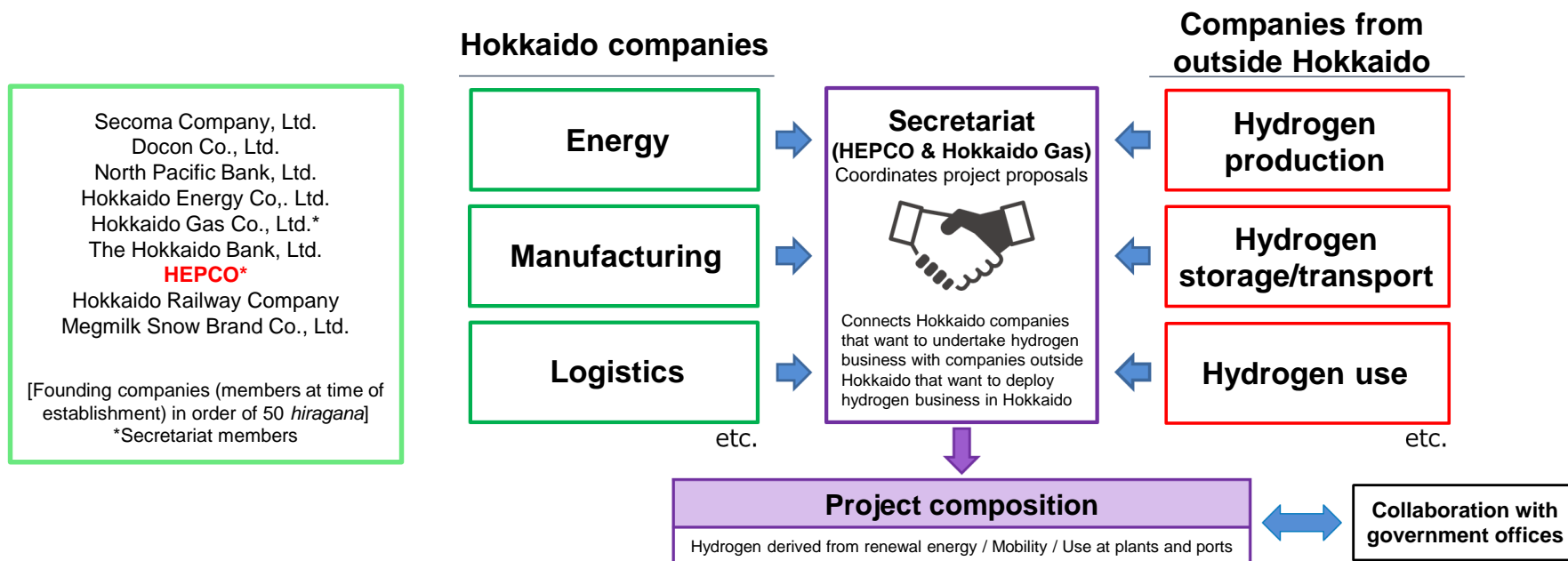
- We have decided to introduce a 1MW hydrogen production facility that manufactures hydrogen through electrolysis of water in Tomakomai, Hokkaido.
- Hydrogen production using electrolysis of water can absorb surplus power and output fluctuations of renewable power sources, helping expand introduction of renewable energy.
- After the facility goes online, we will conduct facility performance evaluation, establish the operational and repair technology in cold weather, and conduct discussions toward realization of future hydrogen society.

[Description of hydrogen production facility]

- Project name: Project to support introduction of storage batteries, etc. for grids for accelerated introduction of renewable energy
- Date of adoption: March 31, 2022
- Facility to be introduced: 1MW-class hydrogen production system (hydrogen output: 200 Nm³/h), shipment facility, etc.
- Location of introduction: 1-17 Benten, Tomakomai, Hokkaido
- Work start date: August 2022 (tentative)
- Operation start date: March 2023 (tentative)



- Nine leading Hokkaido-based private-sector companies jointly established a Hokkaido hydrogen business platform in July 2021 with the goal of developing a hydrogen supply chain in Hokkaido as early as possible and making Hokkaido a pioneer in the use of domestically produced green hydrogen in the future.
- The ideas and needs of companies that aim to tackle the hydrogen business and have an infrastructure in Hokkaido (Hokkaido companies), and know-how and technologies of companies possessing know-how and technologies related to hydrogen and aim to deploy the hydrogen business in Hokkaido (companies outside Hokkaido) were linked together. The aim is to generate synergistic benefits and launch activities to create projects that will contribute to social implementation.
- After establishment, many other companies and organization have participated. Members totaled 34 as of the end of March 2022.



Note: Examples

■ Topics for Period After 3Q Results Announcement

Date	Description of effort	Overview of business plans related slides
Feb. 10 2022	First acquisition of METI's "DX certificate" in Hokkaido	P17
Feb. 25 2022	Notice regarding shift to company with supervisory committee	P39
March 9 2022	First inclusion in "2022 health and productivity stocks," etc. in Hokkaido	P38
March 23 2022	Endorsement of GX League Basic Concept	—
April 1, 2022	Participation in biomass power generation project in eastern Tomakomai	P30
April 28, 2022	Introduction of hydrogen production facility using electrolysis of water	P32

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For further information

IR Group
Corporate Planning Department
Hokkaido Electric Power Co., Inc.
2, Higashi-1, Odori, Chuo-ku, Sapporo, Hokkaido 060-8677, JAPAN
URL: <http://www.hepco.co.jp/english/>