

# Financial Release for the Three Months Ended June 30, 2017

[Japanese Standards] (Consolidated)

July 28, 2017

## Hokkaido Electric Power Co., Inc.

(URL <http://www.hepco.co.jp>)

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The prearranged date of quarterly financial statement report publication: August 10, 2017

Commencement of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: None

(Monetary figures are rounded down to the nearest million yen)

### I. Consolidated Results for the Three Months (April 1, 2017 – June 30, 2017)

#### (1) Consolidated Business Results

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2017–June 30, 2017	173,058	2.0	6,973	(62.5)	3,482	(77.9)	2,659	(79.5)
April 1, 2016–June 30, 2016	169,685	(1.0)	18,608	45.6	15,779	70.5	12,945	-

Note: Percentage figures represent changes as compared to the same period of the previous year.

Reference: Comprehensive income: April 1, 2017 – June 30, 2017 2,084 million yen [(83.0)%]  
 April 1, 2016 – June 30, 2016 12,285 million yen [- %]

	Basic Earnings per Share (primary)		Basic Earnings per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2017–June 30, 2017	10.77	-	-	-
April 1, 2016–June 30, 2016	60.82	-	-	-

Note: The amounts of profit attributable to owners of parent and comprehensive income in the three months ended June 30, 2016 are adjusted retroactively following a change in accounting policy. Then, year on year percentage changes for those items in the three months ended June 30, 2016 are not stated.

#### (2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of June 30, 2017	1,870,643	199,139	199,139	199,139	10.1	10.1
As of March 31, 2017	1,829,539	200,022	200,022	200,022	10.3	10.3

Reference: Shareholders' Equity: As of June 30, 2017 188,136 million yen As of March 31, 2017 188,859 million yen

## II. Dividends

### Cash dividend

	Cash dividends per share				
	June 30	September 30	December 31	Year-ended	Annual total
	Yen	Yen	Yen	Yen	Yen
April 1, 2016 – March 31, 2017	-	0.00	-	5.00	5.00
April 1, 2017 – March 31, 2018	-	-	-	-	-
April 1, 2017 – March 31, 2018 (Forecast)	-	-	-	-	-

Note1: Changes of the forecasts of the cash dividends per share from the latest release: None

Note2: Year-end dividends for the year ending March 31, 2018 have yet to be determined. Dividends mentioned the above is regarding common stock.

Regarding preferred stock which differs in shareholders' rights from common stock, see "Dividends for preferred stock".

### III. Forecasts of Consolidated Results for the Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Basic Earnings per Share (primary)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
April 1, 2017 – March 31, 2018	755,000	7.4	-	-	-	-	-	-	-	-

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of consolidated results in this period: None

\* 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.

**(Notes)**

- (1) Changes among major consolidated subsidiaries in this period: None
- (2) Application of special accounting methods in preparation of quarterly financial statements: None
- (3) Changes in accounting policies; changes in accounting estimates; restatements
- a. Changes of accounting policies due to amendment of accounting standards: None
  - b. Other changes in accounting policies: Yes
  - c. Changes in accounting estimates: None
  - d. Restatements: None
- (4) Outstanding shares (Common stock)
- a. Number of outstanding shares (Treasury stock included):  
As of June 30, 2017: 215,291,912 As of March 31, 2017: 215,291,912
  - b. Number of treasury stock:  
As of June 30, 2017: 9,765,272 As of March 31, 2017: 9,763,908
  - c. Average number of shares over period:  
April 1, 2017 – June 30, 2017: 205,527,158 April 1, 2016 – June 30, 2016: 205,535,824

**Dividends for preferred stock**

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

Class A preferred stock	Cash dividends per share				
	June 30	September 30	December 31	Year-ended	Annual total
April 1, 2016 – March 31, 2017	Yen -	Yen 0.00	Yen -	Yen 3,800,000.00	Yen 3,800,000.00
April 1, 2017 – March 31, 2018	-				
April 1, 2017 – March 31, 2018 (Forecast)		-	-	-	-

Note1: Changes of the forecasts of the cash dividends per share from the latest release: None

Note2: Year-end dividends for the year ending March 31, 2018 have yet to be determined.

**(Reference)**

**Forecasts of Non-consolidated Results for the Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)**

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic Earnings per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2017 – March 31, 2018	725,000	7.1	-	-	-	-	-	-	-

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of non-consolidated results in this period: None

\* 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.

**Consolidated Balance Sheets**
*(Million yen)*

Item	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Noncurrent assets	1,624,832	1,628,001
Electric utility plant and equipment	1,070,863	1,058,555
Hydroelectric power production facilities	226,540	223,691
Thermal power production facilities	75,534	73,103
Nuclear power production facilities	210,736	209,234
Transmission facilities	158,576	156,678
Transformation facilities	77,359	75,921
Distribution facilities	277,806	276,836
General facilities	39,065	37,975
Other electric utility plant and equipment	5,243	5,113
Other noncurrent assets	55,132	55,381
Construction in progress	231,716	245,591
Construction in progress	231,352	244,799
Retirement in progress	364	792
Nuclear fuel	162,767	165,035
Nuclear fuel in processing	162,767	165,035
Investments and other assets	104,352	103,436
Long-term investments	56,889	55,851
Net defined benefit asset	12,572	12,837
Deferred tax assets	32,987	32,950
Other	3,661	3,582
Allowance for doubtful accounts	(1,758)	(1,785)
Current assets	204,706	242,642
Cash and deposits	88,027	118,086
Notes and accounts receivable-trade	57,037	62,128
Inventories	36,508	40,496
Deferred tax assets	5,744	4,966
Other	18,187	17,687
Allowance for doubtful accounts	(798)	(722)
<b>Total</b>	<b>1,829,539</b>	<b>1,870,643</b>
<b>Liabilities and Net assets</b>		
<b>Liabilities</b>		
Noncurrent liabilities	1,247,515	1,230,398
Bonds payable	611,900	595,000
Long-term loans payable	505,146	505,712
Net defined benefit liability	38,875	38,305
Asset retirement obligations	77,773	78,252
Other	13,820	13,128
Current liabilities	379,770	439,178
Current portion of long-term debt	187,226	272,648
Short-term loans payable	52,370	52,390
Commercial papers	-	10,000
Notes and accounts payable-trade	40,816	31,099
Accrued taxes	7,388	17,620
Other	91,968	55,419
Reserves under the special laws	2,231	1,927
Reserve for fluctuation in water levels	2,231	1,927
<b>Total Liabilities</b>	<b>1,629,516</b>	<b>1,671,503</b>
<b>Net assets</b>		
Shareholders' equity	187,727	187,571
Capital stock	114,291	114,291
Capital surplus	46,750	46,750
Retained earnings	44,875	44,721
Treasury stock	(18,190)	(18,191)
Accumulated other comprehensive income	1,132	564
Valuation difference on available-for-sale securities	4,391	4,007
Remeasurements of defined benefit plans	(3,258)	(3,443)
Non-controlling interests	11,162	11,003
<b>Total Net assets</b>	<b>200,022</b>	<b>199,139</b>
<b>Total</b>	<b>1,829,539</b>	<b>1,870,643</b>

**Consolidated Statements of Operations**

(Million yen)

Item	April 1, 2016– June 30, 2016	April 1, 2017– June 30, 2017
<b>Operating revenues</b>	169,685	173,058
Electric utility operating revenue	163,909	166,254
Other business operating revenue	5,776	6,804
<b>Operating expenses</b>	151,077	166,085
Electric utility operating expenses	146,212	160,305
Other business operating expenses	4,865	5,780
<b>Operating Profit</b>	18,608	6,973
<b>Non-operating Income</b>	1,563	814
Dividend income	414	332
Interest income	289	2
Other	859	480
<b>Non-operating Expenses</b>	4,392	4,305
Interest expenses	3,869	3,752
Share of loss entities accounted for using equity method	83	68
Other	439	484
Ordinary revenue	171,249	173,873
Ordinary expenses	155,469	170,391
<b>Ordinary Profit</b>	15,779	3,482
Provision or reversal of reserve for fluctuation in water levels	540	(304)
Provision of reserve for fluctuation in water levels	540	-
Reversal of reserve for fluctuation in water levels	-	(304)
<b>Profit before income taxes</b>	15,239	3,786
Income taxes-current	1,245	14
Income taxes-deferred	1,111	1,116
<b>Total income taxes</b>	2,357	1,131
<b>Profit</b>	12,881	2,655
<b>Loss attributable to non-controlling interests</b>	(63)	(3)
<b>Profit attributable to owners of parent</b>	12,945	2,659

**Consolidated Statements of Comprehensive Income**

(Million yen)

Item	April 1, 2016– June 30, 2016	April 1, 2017– June 30, 2017
<b>Profit</b>	12,881	2,655
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(286)	(380)
Remeasurements of defined benefit plans	(310)	(190)
Total other comprehensive income	(596)	(570)
<b>Comprehensive income</b>	12,285	2,084
Comprehensive income attributable to:		
owners of parent	12,342	2,091
non-controlling interests	(57)	(6)

**Note:** The information shown above is an English translation of the "Financial Release for the Three Months Ended June 30, 2017" 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.