

Financial Release for the Six Months Ended September 30, 2017

[Japanese Standards] (Consolidated)

October 31, 2017

Hokkaido Electric Power Co., Inc.

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

Code no: 9509 Tokyo Stock Exchange (1st section)
 Representative: Akihiko MAYUMI, President and Director
 For inquiry: Junichi SUZUKI, Manager, Accounting & Finance Dept.
 Telephone: +81-11-251-1111

The prearranged date of quarterly financial statement report publication: November 13, 2017

Commencement of payment of dividend: —

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes(targeted at institutional investors and analysts)

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

I. Consolidated Results for the Six Months (April 1, 2017 – September 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–September 30, 2017	343,844	2.8	13,304	(41.1)	6,044	(61.6)	5,445	(54.0)
April 1, 2016–September 30, 2016	334,379	(1.9)	22,603	(7.2)	15,754	(7.6)	11,826	—

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

Reference: Comprehensive income: April 1, 2017 – September 30, 2017 4,315 million yen [(65.3)%]
 April 1, 2016 – September 30, 2016 12,440 million yen [—%]

	Basic Earnings per Share (primary)		Basic Earnings per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2017–September 30, 2017	22.14	—	—	—
April 1, 2016–September 30, 2016	53.18	—	—	—

Note: The amounts of profit attributable to owners of parent and comprehensive income in the six months ended September 30, 2016 are adjusted retroactively following a change in accounting policy. Then, year on year percentage changes for those items in the six months ended September 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 September 30, 2017	1,876,330	201,367	201,367	188,859	10.1	10.1
As of March 31, 2017	1,829,539	200,022	200,022	188,859	10.3	10.3

Reference: Shareholders' Equity: As of September 30, 2017 190,211 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	—	0.00	—	—	—
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
April 1, 2017 – March 31, 2018	728,000	3.6	—	—	—	—	—	—	—

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: Yes

* 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
- Changes of accounting policies due to amendment of accounting standards: None
 - Other changes in accounting policies: Yes
 - Changes in accounting estimates: None
 - Restatements: None
- (4) Outstanding shares (Common stock)
- Number of outstanding shares (Treasury stock included):
As of September 30, 2017: 215,291,912 As of March 31, 2017: 215,291,912
 - Number of treasury stock:
As of September 30, 2017: 9,768,928 As of March 31, 2017: 9,763,908
 - Average number of shares over period:
April 1, 2017 –September 30, 2017: 205,525,623 April 1, 2016 – September 30, 2016: 205,534,885

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
	Yen	Yen	Yen	Yen	Yen
April 1, 2016 – March 31, 2017	—	0.00	—	3,800,000.00	3,800,000.00
April 1, 2017 – March 31, 2018	—	0.00			
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	698,000	3.1	—	—	—	—	—	—	—

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: Yes

* 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 September 30, 2017
Assets		
Noncurrent assets	1,624,832	1,639,352
Electric utility plant and equipment	1,070,863	1,055,227
Hydroelectric power production facilities	226,540	220,839
Thermal power production facilities	75,534	81,202
Nuclear power production facilities	210,736	203,974
Transmission facilities	158,576	154,500
Transformation facilities	77,359	76,187
Distribution facilities	277,806	276,565
General facilities	39,065	37,004
Other electric utility plant and equipment	5,243	4,953
Other noncurrent assets	55,132	56,010
Construction in progress	231,716	260,574
Construction in progress	231,352	260,003
Retirement in progress	364	571
Nuclear fuel	162,767	165,047
Nuclear fuel in processing	162,767	165,047
Investments and other assets	104,352	102,492
Long-term investments	56,889	54,536
Net defined benefit asset	12,572	13,100
Deferred tax assets	32,987	33,090
Other	3,661	3,539
Allowance for doubtful accounts	(1,758)	(1,774)
Current assets	204,706	236,977
Cash and deposits	88,027	105,260
Notes and accounts receivable-trade	57,037	68,259
Inventories	36,508	43,096
Deferred tax assets	5,744	5,713
Other	18,187	15,447
Allowance for doubtful accounts	(798)	(800)
Total	1,829,539	1,876,330
Liabilities and Net assets		
Liabilities		
Noncurrent liabilities	1,247,515	1,255,763
Bonds payable	611,900	635,000
Long-term loans payable	505,146	491,093
Net defined benefit liability	38,875	38,081
Asset retirement obligations	77,773	78,731
Other	13,820	12,857
Current liabilities	379,770	418,146
Current portion of long-term debt	187,226	211,561
Short-term loans payable	52,370	53,090
Commercial papers	—	30,000
Notes and accounts payable-trade	40,816	33,685
Accrued taxes	7,388	18,498
Other	91,968	71,311
Reserves under the special laws	2,231	1,053
Reserve for fluctuation in water levels	2,231	1,053
Total Liabilities	1,629,516	1,674,962
Net assets		
Shareholders' equity	187,727	190,354
Capital stock	114,291	114,291
Capital surplus	46,750	46,750
Retained earnings	44,875	47,507
Treasury stock	(18,190)	(18,194)
Accumulated other comprehensive income	1,132	(143)
Valuation difference on available-for-sale securities	4,391	3,484
Remeasurements of defined benefit plans	(3,258)	(3,628)
Non-controlling interests	11,162	11,156
Total Net assets	200,022	201,367
Total	1,829,539	1,876,330

Consolidated Statements of Operations

(Million yen)

Item	April 1, 2016– September 30, 2016	April 1, 2017– September 30, 2017
Operating revenues	334,379	343,844
Electric utility operating revenue	321,407	328,646
Other business operating revenue	12,971	15,198
Operating expenses	311,775	330,540
Electric utility operating expenses	300,694	317,319
Other business operating expenses	11,080	13,220
Operating Profit	22,603	13,304
Non-operating Income	1,803	981
Dividend income	420	395
Interest income	583	4
Other	799	581
Non-operating Expenses	8,652	8,241
Interest expenses	7,691	7,471
Share of loss entities accounted for using equity method	41	81
Other	919	687
Ordinary revenue	336,183	344,825
Ordinary expenses	320,428	338,781
Ordinary Profit	15,754	6,044
Provision or reversal of reserve for fluctuation in water levels	1,576	(1,178)
Provision of reserve for fluctuation in water levels	1,576	—
Reversal of reserve for fluctuation in water levels	—	(1,178)
Profit before income taxes	14,178	7,222
Income taxes-current	2,021	1,195
Income taxes-deferred	364	423
Total income taxes	2,386	1,618
Profit	11,792	5,603
Profit (loss) attributable to non-controlling interests	(34)	158
Profit attributable to owners of parent	11,826	5,445

Consolidated Statements of Comprehensive Income

(Million yen)

Item	April 1, 2016– September 30, 2016	April 1, 2017– September 30, 2017
Profit	11,792	5,603
Other comprehensive income		
Valuation difference on available-for-sale securities	1,269	(907)
Remeasurements of defined benefit plans	(620)	(380)
Total other comprehensive income	648	(1,288)
Comprehensive income	12,440	4,315
Comprehensive income attributable to:		
owners of parent	12,467	4,169
non-controlling interests	(26)	146

Note: The information shown above is an English translation of the "Financial Release for the Six Months Ended September 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.