

Financial Release for the Nine Months Ended December 31, 2018

[Japanese Standards] (Consolidated)

January 31, 2019

Hokkaido Electric Power Co., Inc.

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

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The prearranged date of quarterly financial statement report publication: February 13, 2019

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 Nine Months (April 1, 2018 – December 31, 2018)

(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, 2018– December 31, 2018	530,700	2.0	29,481	97.7	20,782	382.2	12,158	238.7
April 1, 2017– December 31, 2017	520,526	2.9	14,911	(26.5)	4,310	(51.9)	3,590	(20.8)

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

Reference: Comprehensive income: April 1, 2018 – December 31, 2018 10,676 million yen [235.7%]
 April 1, 2017 – December 31, 2017 3,180 million yen [(59.2)%]

	Basic Earnings per Share (primary)		Basic Earnings per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2018–December 31, 2018	53.99	—	—	—
April 1, 2017–December 31, 2017	10.92	—	—	—

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of December 31, 2018	1,953,825	220,099	220,099	212,991	10.7	10.5
As of March 31, 2018	1,915,904	212,991	212,991	201,412	10.7	10.5

Reference: Shareholders' Equity: As of December 31, 2018 208,452 million yen As of March 31, 2018 201,412 million yen

Note: "Partial revision of Tax Effect Accounting" (Corporate Accounting Standard No.28, February 16, 2018) etc. had been reflected from the beginning of 1Q-FY2019, amount of previous FY is shown as revision reflected amount.

II. Dividends

Cash dividend

	Cash dividends per share				
	June 30	September 30	December 31	Year-ended	Annual total
April 1, 2017 – March 31, 2018	Yen —	Yen 0.00	Yen —	Yen 5.00	Yen 5.00
April 1, 2018 – March 31, 2019	—	0.00	—		
April 1, 2018 – March 31, 2019 (Forecast)				10.00	10.00

Note1: Changes of the forecasts of the cash dividends per share from the latest release: Yes

Note2: 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, 2019 (April 1, 2018 – March 31, 2019)

	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, 2018 – March 31, 2019	754,000	2.9	40,000	18.6	28,000	44.2	18,000	8.8	80.72

Note1: Percentage figures represent changes as compared to the previous year.

Note2: 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: Yes
 - Other changes in accounting policies: None
 - Changes in accounting estimates: None
 - Restatements: None
- (4) Outstanding shares (Common stock)
- Number of outstanding shares (Treasury stock included):
As of December 31, 2018: 215,291,912 As of March 31, 2018: 215,291,912
 - Number of treasury stock:
As of December 31, 2018: 9,780,040 As of March 31, 2018: 9,774,070
 - Average number of shares over period:
April 1, 2018 – December 31, 2018: 205,514,557 April 1, 2017 – December 31, 2017: 205,524,268

* This summary report is not subject to audit.

* Given that the forecasts above were made on the basis of information available at the time of the release of this document, the actual result may vary from the forecast data due to various factors.

Dividends for preferred stock

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

Class B preferred stock	Cash dividends per share				
	June 30	September 30	December 31	Year-ended	Annual total
	Yen	Yen	Yen	Yen	Yen
April 1, 2018 – March 31, 2019	—	0.00	—		
April 1, 2018 – March 31, 2019 (Forecast)				3,000,000	3,000,000

Note1: Changes of the forecasts of the cash dividends per share from the latest release: Yes

(Reference)**Forecasts of Non-consolidated Results for the Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)**

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic Earnings per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
April 1, 2018 – March 31, 2019	722,000	2.7	35,000	28.0	24,000	81.8	16,000	22.0	Yen 70.99

Note1: Percentage figures represent changes as compared to the previous year.

Note2: 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, 2018	As of December 31, 2018
Assets		
Non-current assets	1,678,754	1,734,334
Electric utility plant and equipment	1,056,830	1,039,150
Hydroelectric power production facilities	215,962	209,938
Thermal power production facilities	79,297	75,675
Nuclear power production facilities	196,545	195,783
Transmission facilities	161,159	157,455
Transformation facilities	81,786	80,315
Distribution facilities	278,585	278,827
General facilities	38,730	36,695
Other electric utility plant and equipment	4,763	4,459
Other noncurrent assets	54,835	54,016
Construction in progress	281,409	336,284
Construction in progress	277,699	332,380
Retirement in progress	218	413
Special account related to reprocessing of spent nuclear fuel	3,491	3,491
Nuclear fuel	176,264	195,933
Nuclear fuel in processing	176,264	195,933
Investments and other assets	109,415	108,950
Long-term investments	53,926	48,101
Net defined benefit asset	15,080	15,884
Deferred tax assets	37,922	38,060
Other	4,288	7,023
Allowance for doubtful accounts	(1,802)	(119)
Current assets	237,150	219,490
Cash and deposits	116,087	65,405
Notes and accounts receivable-trade	67,622	81,383
Inventories	41,257	59,466
Other	13,114	14,416
Allowance for doubtful accounts	(931)	(1,181)
Total	1,915,904	1,953,825
Liabilities and Net assets		
Liabilities		
Non-current liabilities	1,271,841	1,331,692
Bonds payable	630,000	690,000
Long-term loans payable	512,277	497,257
Reserve for restoration costs of natural disaster	—	18
Net defined benefit liability	37,458	36,718
Asset retirement obligations	79,717	96,513
Other	12,388	11,184
Current liabilities	429,771	399,328
Current portion of long-term debt	212,106	153,925
Short-term loans payable	53,250	52,240
Commercial papers	20,000	40,000
Notes and accounts payable-trade	39,329	43,953
Accrued taxes	14,154	11,690
Reserve for restoration costs of natural disaster	—	1,725
Other	90,931	95,794
Reserves under the special laws	1,299	2,704
Reserve for fluctuation in water levels	1,299	2,704
Total Liabilities	1,702,913	1,733,725
Net assets		
Shareholders' equity	201,456	210,200
Capital stock	114,291	114,291
Capital surplus	46,750	46,153
Retained earnings	58,611	67,956
Treasury stock	(18,197)	(18,201)
Accumulated other comprehensive income	(44)	(1,747)
Valuation difference on available-for-sale securities	3,398	1,675
Remeasurements of defined benefit plans	(3,442)	(3,423)
Non-controlling interests	11,578	11,646
Total Net assets	212,991	220,099
Total	1,915,904	1,953,825

Consolidated Statements of Operations

(Million yen)

Item	April 1, 2017– December 31, 2017	April 1, 2018– December 31, 2018
Operating Revenues	520,526	530,700
Electric utility operating revenue	497,409	508,738
Other business operating revenue	23,116	21,962
Operating Expenses	505,615	501,219
Electric utility operating expenses	485,425	482,017
Other business operating expenses	20,189	19,201
Operating Profit	14,911	29,481
Non-operating Income	1,812	1,742
Dividend income	626	721
Interest income	6	13
Gain on sales of goods	138	349
Other	1,041	657
Non-operating Expenses	12,412	10,440
Interest expenses	10,952	9,158
Share of loss of entities accounted for using equity method	161	214
Other	1,298	1,068
Ordinary revenue	522,338	532,442
Ordinary expenses	518,028	511,659
Ordinary Profit	4,310	20,782
Provision or reversal of reserve for fluctuation in water levels	(1,251)	1,405
Provision of reserve for fluctuation in water levels	—	1,405
Reversal of reserve for fluctuation in water levels	(1,251)	—
Extraordinary loss	—	4,067
Extraordinary loss of disaster	—	4,067
Profit before income taxes	5,561	15,310
Income taxes-current	704	2,366
Income taxes-deferred	869	532
Total income taxes	1,573	2,898
Profit	3,987	12,411
Profit attributable to non-controlling interests	397	253
Profit attributable to owners of parent	3,590	12,158

Consolidated Statements of Comprehensive Income

(Million yen)

Item	April 1, 2017– December 31, 2017	April 1, 2018– December 31, 2018
Profit	3,987	12,411
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(235)	(1,738)
Remeasurements of defined benefit plans	(571)	2
Total other comprehensive income	(807)	(1,735)
Comprehensive Income	3,180	10,676
Comprehensive income attributable to		
owners of parent	2,817	10,455
non-controlling interests	363	220

Note: The information shown above is an English translation of the "Financial Release for the Nine Months Ended December 31, 2018" 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.