

# Financial Release for the Year Ended March 31, 2018

[Japanese Standards] (Consolidated)

April 27, 2018

## Hokkaido Electric Power Co., Inc.

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

Code no: 9509 Tokyo Stock Exchange (1st section)

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The prearranged date of the general shareholders' meeting: June 27, 2018

Commencement of payment of year-end dividend: June 28, 2018

The prearranged date of financial statement report publication: June 28, 2018

Preparation of supplementary materials for financial results: Yes

Information meeting for 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 Year Ended March 31, 2018 (April 1, 2017 – March 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, 2017 – March 31, 2018	733,050	4.3	33,726	22.9	19,421	54.1	16,549	88.2
April 1, 2016 – March 31, 2017	702,776	(2.9)	27,443	(36.3)	12,603	(55.1)	8,793	(58.7)

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

Note2: Comprehensive income: April 1, 2017 – March 31, 2018 15,943 million yen [46.4%]

April 1, 2016 – March 31, 2017 10,891 million yen [21.1%]

	Basic Earnings per Share (primary)	Basic Earnings per Share (fully diluted)	Net rate of Return on Shareholders' Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Operating Revenue
	Yen	Yen	%	%	%
April 1, 2017 – March 31, 2018	71.84	-	8.5	1.0	4.6
April 1, 2016 – March 31, 2017	34.09	-	4.7	0.7	3.9

Reference: Share of profit of entities accounted for using equity method: April 1, 2017 – March 31, 2018 121 million yen

April 1, 2016 – March 31, 2017 218 million yen

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2018	1,915,908	212,991	10.5	742.64
As of March 31, 2017	1,829,539	200,022	10.3	681.53

Reference: Shareholders' Equity: As of March 31, 2018 201,412 million yen As of March 31, 2017 188,859 million yen

#### (3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
April 1, 2017 – March 31, 2018	107,054	(145,355)	66,360	116,087
April 1, 2016 – March 31, 2017	67,081	(145,216)	57,357	88,027

## II. Dividends

### Cash dividends

	Cash dividends per share					Dividends Paid (Annual)	Dividend Payout Ratio (Consolidated)	Dividend on Net Asset Ratio (Consolidated)
	June 30	September 30	December 31	Year-ended	Annual total			
April 1, 2016 – March 31, 2017	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00	Million yen 1,027	% 14.7	% 0.8
April 1, 2017 – March 31, 2018	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00	Million yen 1,027	% 7.0	% 0.7
April 1, 2018 – March 31, 2019 (Forecast)	Yen -	Yen -	Yen -	Yen -	Yen -		% -	% -

Note: The forecasts of cash dividends for the 1st half and full year ending March 31, 2019 have yet to be determined at this point.

Dividends mentioned the above is regarding common stock. Regarding preferred stock which differ 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2018 – March 31, 2019	750,000	2.3	-	-	-	-	-	-	-

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

\* 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) 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: None

c. Changes in accounting estimates: None

d. Restatements: None

(3) Outstanding shares (Common stock)

a. Number of outstanding shares (Treasury stock included):

As of March 31, 2018: 215,291,912 As of March 31, 2017: 215,291,912

b. Number of treasury stock:

As of March 31, 2018: 9,774,070 As of March 31, 2017: 9,763,908

c. Average number of shares over period:

April 1, 2017 - March 31, 2018: 205,522,846 April 1, 2016 - March 31, 2017: 205,532,640

**(Reference) Highlight of Non-consolidated Financial Results****I. Non-consolidated Results for the Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)****(1) Non-consolidated Business Results**

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2017 – March 31, 2018	703,189	3.8	27,349	35.0	13,202	126.1	13,110	154.6
April 1, 2016 – March 31, 2017	677,141	(2.7)	20,258	(44.0)	5,838	(72.5)	5,150	(69.9)

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

	Basic Earnings per Share (primary)	Basic Earnings per Share (fully diluted)
	Yen	Yen
April 1, 2017 – March 31, 2018	55.10	-
April 1, 2016 – March 31, 2017	16.37	-

**(2) Non-consolidated Financial Position**

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2018	1,854,251	170,215	9.2	590.85
As of March 31, 2017	1,768,980	160,890	9.1	545.45

Reference: Shareholders' Equity: As of March 31, 2018 170,215 million yen As of March 31, 2017 160,890 million yen

**II. 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2018 – March 31, 2019	718,000	2.1	-	-	-	-	-	-	-

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

\* 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 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	-	3,800,000.00	3,800,000.00

Note: Hepco resolved at the Board of directors meeting held on April 27, 2018 to acquire the Class-A preferred stock and to cancel it on July 31, subject to the issue of the Class-B preferred stock etc.

Accordingly, the forecast of cash dividends for full year ending March 31, 2019 is omitted from this report about the class-A preferred stock.

## Results of Production and Sales [Electric Utility Business]

### 1. Sales

#### Electricity Sales

(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

### 2. Production

#### Power Supply

(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 %]	[94.9]	[111.5]	[(16.6)]	
Hydroelectric	3,279	3,846	(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
Interchange and Purchased 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

Note: Amount of power generated from consolidated subsidiaries, Hokkaido Power Engineering and HOKUDEN ECO-ENERGY, is included in purchased power.

**Forecasts for the Year Ending March 31, 2019(April 1, 2018 – March 31, 2019)**

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.

**Forecasts of Consolidated Results for the Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)**

(Million yen)

	April 1,2018 – March 31,2019	
		Comparison to year ended March 31, 2018
Operating Revenue	750,000	17,000
[Comparison to last fiscal year]	[Approx. (6.0)%]	
Electricity sales	Approx. 23.3 TWh	Approx. (1.5) TWh

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

**(April 1, 2018 – March 31, 2019)**

(Million yen)

	April 1,2018 – March 31,2019	
		Comparison to year ended March 31, 2018
Operating Revenue	718,000	15,000

Note: We assume the foreign exchange rate and CIF crude oil price will be 110 yen/\$ and 65 \$/barrel in these forecasts.

**Consolidated Balance Sheets**

(Million yen)

Item	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Non-current assets	1,624,832	1,671,645
Electric utility plant and equipment	1,070,863	1,056,830
Hydroelectric power production facilities	226,540	215,962
Thermal power production facilities	75,534	79,297
Nuclear power production facilities	210,736	196,545
Transmission facilities	158,576	161,159
Transformation facilities	77,359	81,786
Distribution facilities	277,806	278,585
General facilities	39,065	38,730
Other electric utility plant and equipment	5,243	4,763
Other non-current assets	55,132	54,835
Construction in progress	231,716	281,409
Construction in progress	231,352	277,699
Retirement in progress	364	218
Special account related to reprocessing of spent nuclear fuel	-	3,491
Nuclear fuel	162,767	176,264
Nuclear fuel in processing	162,767	176,264
Investments and other assets	104,352	102,306
Long-term investments	56,889	53,926
Net defined benefit asset	12,572	15,080
Deferred tax assets	32,987	30,812
Other	3,661	4,288
Allowance for doubtful accounts	(1,758)	(1,802)
Current assets	204,706	244,262
Cash and deposits	88,027	116,087
Notes and accounts receivable-trade	57,037	67,622
Inventories	36,508	41,257
Deferred tax assets	5,744	7,112
Other	18,187	13,114
Allowance for doubtful accounts	(798)	(931)
<b>Total</b>	<b>1,829,539</b>	<b>1,915,908</b>
<b>Liabilities and Net assets</b>		
<b>Liabilities</b>		
Non-current liabilities	1,247,515	1,271,845
Bonds payable	611,900	630,000
Long-term loans payable	505,146	512,277
Net defined benefit liability	38,875	37,458
Asset retirement obligations	77,773	79,717
Deferred tax liabilities	-	3
Other	13,820	12,388
Current liabilities	379,770	429,771
Current portion of long-term debt	187,226	212,106
Short-term loans payable	52,370	53,250
Commercial papers	-	20,000
Notes and accounts payable-trade	40,816	39,329
Accrued taxes	7,388	14,154
Other	91,968	90,931
Reserves under the special laws	2,231	1,299
Reserve for fluctuation in water levels	2,231	1,299
<b>Total Liabilities</b>	<b>1,629,516</b>	<b>1,702,917</b>
<b>Net assets</b>		
Shareholders' equity	187,727	201,456
Capital stock	114,291	114,291
Capital surplus	46,750	46,750
Retained earnings	44,875	58,611
Treasury stock	(18,190)	(18,197)
Accumulated other comprehensive income	1,132	(44)
Valuation difference on available-for-sale securities	4,391	3,398
Remeasurements of defined benefit plans	(3,258)	(3,442)
Non-controlling interests	11,162	11,578
<b>Total Net assets</b>	<b>200,022</b>	<b>212,991</b>
<b>Total</b>	<b>1,829,539</b>	<b>1,915,908</b>

**Consolidated Statements of Operations**

(Million yen)

Item	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018
<b>Operating Revenues</b>	702,776	733,050
Electric utility operating revenue	675,471	701,526
Other business operating revenue	27,305	31,524
<b>Operating Expenses</b>	675,333	699,324
Electric utility operating expenses	652,002	671,831
Other business operating expenses	23,331	27,492
<b>Operating Profit</b>	27,443	33,726
<b>Non-operating Income</b>	2,598	2,229
Dividend income	709	656
Interest income	666	9
Share of profit of entities accounted for using equity method	218	121
Other	1,003	1,441
<b>Non-operating Expenses</b>	17,438	16,534
Interest expenses	15,123	14,217
Other	2,314	2,316
Ordinary revenue	705,375	735,279
Ordinary expenses	692,771	715,858
<b>Ordinary Profit</b>	12,603	19,421
Provision or reversal of reserve for fluctuation in water levels	1,208	(931)
Provision of reserve for fluctuation in water levels	1,208	-
Reversal of reserve for fluctuation in water levels	-	(931)
Extraordinary loss	1,638	-
Extraordinary loss of disaster	1,638	-
<b>Profit before income taxes</b>	9,755	20,352
Income taxes-current	1,180	1,869
Income taxes-deferred	(681)	1,320
<b>Total income taxes</b>	498	3,190
<b>Profit</b>	9,257	17,162
<b>Profit attributable to non-controlling interests</b>	463	612
<b>Profit attributable to owners of parent</b>	8,793	16,549

**Consolidated Statements of Comprehensive Income**

(Million yen)

Item	April 1, 2016– March 31, 2017	April 1, 2017– March 31, 2018
<b>Profit</b>	9,257	17,162
<b>Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	2,826	(1,024)
Remeasurements of defined benefit plans	(1,192)	(195)
Total other comprehensive income	1,634	(1,219)
<b>Comprehensive Income</b>	10,891	15,943
Comprehensive income attributable to		
owners of parent	10,423	15,373
non-controlling interests	468	570

**Consolidated Statements of Changes in Net Assets**

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance as of April 1, 2016</b>	114,291	49,998	40,766	(18,184)	186,872
Dividends of surplus			(4,684)		(4,684)
Profit attributable to owners of parent			8,793		8,793
Purchase of treasury stock				(3,254)	(3,254)
Disposal of treasury stock		(1)		1	0
Cancellation of treasury stock		(3,245)		3,245	-
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(3,247)	4,108	(6)	854
<b>Balance as of April 1, 2017</b>	114,291	46,750	44,875	(18,190)	187,727
Dividends of surplus			(2,813)		(2,813)
Profit attributable to owner of parent			16,549		16,549
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		(1)		1	0
Cancellation of treasury stock					-
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	13,736	(7)	13,729
<b>Balance as of March 31, 2018</b>	114,291	46,750	58,611	(18,197)	201,456

(Million yen)

	Accumulated other comprehensive income			Non - controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
<b>Balance as of April 1, 2016</b>	1,570	(2,067)	(497)	10,847	197,222
Dividends of surplus					(4,684)
Profit attributable to owner of parent					8,793
Purchase of treasury stock					(3,254)
Disposal of treasury stock					0
Cancellation of treasury stock					-
Change in ownership interest of parent due to transactions with non-controlling interests					(0)
Net changes of items other than shareholders' equity	2,821	(1,191)	1,629	314	1,944
Total changes of items during the period	2,821	(1,191)	1,629	314	2,799
<b>Balance as of April 1, 2017</b>	4,391	(3,258)	1,132	11,162	200,022
Dividends of surplus					(2,813)
Profit attributable to owner of parent					16,549
Purchase of treasury stock					(8)
Disposal of treasury stock					0
Cancellation of treasury stock					-
Change in ownership interest of parent due to transactions with non-controlling interests					1
Net changes of items other than shareholders' equity	(993)	(183)	(1,176)	415	(760)
Total changes of items during the period	(993)	(183)	(1,176)	415	12,968
<b>Balance as of March 31, 2018</b>	3,398	(3,442)	(44)	11,578	212,991



**Consolidated Statements of Cash Flows**

(Million yen)

Account	April 1, 2016 – March 31, 2017	April 1, 2017 – March 31, 2018
<b>Cash flows from operating activities:</b>		
Profit before income taxes	9,755	20,352
Depreciation and amortization	85,534	83,760
Decommissioning costs of nuclear power units	2,524	2,533
Loss on retirement of noncurrent assets	2,394	3,546
Increase (decrease) in net defined benefit liability	(5,580)	(4,223)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(3,357)	-
Interest and dividends income	(1,376)	(665)
Interest expenses	15,123	14,217
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	4,313	-
Decrease (increase) in notes and accounts receivable-trade	4,027	(10,575)
Increase (decrease) in notes and accounts payable-trade	(770)	(1,418)
Increase (decrease) in accrued expenses	(2,609)	6,178
Increase (decrease) in accrued consumption taxes	(8,611)	9,753
Payments of accrued contributions for reprocessing of irradiated nuclear fuel	(9,414)	-
Other, net	(7,421)	(2,064)
Subtotal	84,531	121,395
Interest and dividend income received	1,616	711
Interest expenses paid	(15,203)	(14,494)
Income taxes paid	(3,863)	(557)
Net cash provided by (used in) operating activities	67,081	107,054
<b>Cash flows from investing activities:</b>		
Purchase of non-current assets	(147,513)	(152,696)
Proceeds from contribution received for construction	3,513	7,246
Payments of investment and loans receivable	(2,826)	(1,152)
Collection of investment and loans receivable	1,496	1,016
Other, net	112	229
Net cash provided by (used in) investing activities	(145,216)	(145,355)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of bonds	129,524	159,477
Redemption of bonds	(30,000)	(97,241)
Proceeds from long-term loans payable	91,500	76,300
Repayments of long-term loans payable	(124,672)	(89,117)
Proceeds from short-term loans payable	170,179	180,575
Repayments of short-term loans payable	(170,085)	(179,671)
Proceeds from issuance of commercial papers	-	70,000
Redemption of commercial papers	-	(50,000)
Cash dividends paid	(4,710)	(2,824)
Other, net	(4,378)	(1,138)
Net cash provided by (used in) financing activities	57,357	66,360
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(20,777)</b>	<b>28,059</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>108,805</b>	<b>88,027</b>
<b>Cash and cash equivalents at end of period</b>	<b>88,027</b>	<b>116,087</b>

## Segment Information

Full Year Ended March 31, 2016 (April 1, 2017 – March 31, 2017)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	675,471	27,305	702,776	-	702,776
Intersegment sales	1,162	103,467	104,629	(104,629)	-
Total operating revenue	676,633	130,772	807,406	(104,629)	702,776
Segment Profit	20,089	5,897	25,987	1,455	27,443
Assets	1,776,481	119,422	1,895,903	(66,364)	1,829,539
Depreciation and amortization	80,175	6,318	86,494	(960)	85,534
Capital investments	141,279	6,618	147,898	(579)	147,318

Note1: The segment profit adjustment of ¥1,455 million, asset adjustment of ¥(66,364) million, depreciation and amortization adjustment of ¥(960) million, and capital investment adjustment of ¥(579) million are due to the elimination of intersegment transactions.

Note2: Segment profit is adjusted with operating profit in the consolidated financial statements.

Full Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	701,526	31,524	733,050	-	733,050
Intersegment sales	1,153	96,751	97,905	(97,905)	-
Total operating revenue	702,680	128,276	830,956	(97,905)	733,050
Segment Profit	27,400	5,644	33,044	682	33,726
Assets	1,860,802	122,493	1,983,296	(67,387)	1,915,908
Depreciation and amortization	78,233	6,415	84,648	(888)	83,760
Capital investments	115,443	7,159	122,602	(435)	122,167

Note1: The segment profit adjustment of ¥682 million, asset adjustment of ¥(67,387) million, depreciation and amortization adjustment of ¥(888) million, and capital investment adjustment of ¥(435) million are due to the elimination of intersegment transactions.

Note2: Segment profit is adjusted with operating profit in the consolidated financial statements.

## Material Subsequent events

(Issuance of Class-B preferred Stock by third party allotment)

Hepco resolved at the Board of directors meeting held on April 27, 2018 to issue the Class-B preferred stock by the third party allotment, to the regular general meeting of shareholders to be held on June 27, 2018 (“the Regular General Meeting of Shareholders”).

### (1) Overview of issuance of the Class-B preferred Stock

(1) Payment date (issue date)	July 31, 2018
(2) Number of new shares to be issued	470 shares of Class B preferred stock
(3) Issue price	100,000,000 yen/share
(4) Amount of funds procured	47,000,000,000 yen
(5) Preferred dividend	3,000,000 yen annually/share
(6) Method of offering or allotment	Third party allotment
(7) Allottee	Development Bank of Japan Inc. 400 shares Mizuho Bank, Ltd. 70 shares

### (2) Other

The Preferred Shares provide no call provision or put option using common stock as consideration, nor do they provide any voting rights at the general meeting of shareholders. These shares will also not dilute common stock.

(Acquisition and Cancellation of Class-A preferred Stock)

Hepco resolved at the Board of directors meeting held on April 27, 2018 to acquire the Class-A preferred stock based on the article of incorporation and to cancel it based on Companies Act.

### (1) Reasons for acquisition and cancellation

Since the reduction of preferred dividends burden while maintaining the our equity capital is possible, it will acquire and cancel of the Class-A preferred stock, after issuance of the Class-B preferred stock.

### (2) Contents of the matters concerning acquisition

a) Class of the target stock	Class-A preferred stock issued by Hokkaido Electric Power Co., Inc.
b) Number of shares acquired	470 shares
c) Acquisition price	101,270,137 yen per share
d) Total Acquisition price	47,596,964,390 yen
e) Buy-back from	Development Bank of Japan Inc.
f) Date of acquisition	July 31, 2018

### (3) Contents of the matters concerning cancellation

a) Class of the target stock	Class-A preferred stock issued by Hokkaido Electric Power Co., Inc.
b) Number of shares cancelled	470 shares
c) Date of cancellation	July 31, 2018

**Note:** The information shown above is an English translation of the “Financial Release for the Year Ended March 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.