



Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 31, 2024

Company name: Hokkaido Electric Power Company, Incorporated
 Listing: Tokyo, Sapporo
 Securities code: 9509
 URL: <https://www.hepco.co.jp/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|--------|------------------|--------|-----------------|--------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2024 | 202,569 | (11.1) | 34,676 | (29.8) | 33,172 | (30.2) | 31,245 | (9.7) |
| June 30, 2023 | 227,791 | 29.4 | 49,426 | 278.3 | 47,549 | 273.0 | 34,605 | 231.5 |

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 32,648 million [(8.3) %]
 Three months ended June 30, 2023: ¥ 35,590 million [252.1 %]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2024 | 150.48 | - |
| June 30, 2023 | 166.79 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|---------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2024 | 2,108,768 | 362,231 | 16.5 |
| March 31, 2024 | 2,141,691 | 333,528 | 14.9 |

(Reference) Equity: As of June 30, 2024: ¥ 348,175 million
 As of March 31, 2024: ¥ 319,383 million

2. Dividends

| | Annual dividends | | | | |
|---|--------------------|--------------------|--------------------|--------------|--------------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| Fiscal year ended March 31, 2024 | Yen - | Yen 5.00 | Yen - | Yen 15.00 | Yen 20.00 |
| Fiscal year ending March 31, 2025 | - | | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | 10.00 | - | 10.00 | 20.00 |

(Note) Revision to the forecast for dividends announced most recently: None

(Note) The above "Status of Dividends" shows the status of dividends on common stock.

For the status of dividends on class shares (unlisted), which have different rights from those of common shares issued by the Company, please refer to "Dividends for preferred stock" below.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 906,000 | (5.0) | 50,000 | (50.6) | 37,000 | (57.6) | 43,000 | (35.0) | 202.58 |

(Note) Revision to the financial results forecast announced most recently: Yes

(Note) Please refer to "Consolidated Earnings Forecast for FY2025" on page 4 and "Summary of Revisions to Consolidated Earnings Forecast for FY2025" on page 5 of the "Financial Results for the First Quarter of FY2025 (April-June)" released today (July 31, 2024) for the revision of the consolidated earnings forecast.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 215,291,912 shares
March 31, 2024: 215,291,912 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 9,987,102 shares
March 31, 2024: 9,984,721 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 205,305,590 shares
Three months ended June 30, 2023: 205,309,391 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

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.

Please refer to "Consolidated Earnings Forecast for FY2025" on page 4 and "Summary of Revisions to Consolidated Earnings Forecast for FY2025" on page 5 of the "Financial Results for the First Quarter of FY2025 (April-June)" released today (July 31, 2024) for the revision of the consolidated earnings forecast.

(Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm)

The Company intends to disclose the quarterly financial results with the review report attached after the completion of the review.

Scheduled date of disclosure: August 9, 2024

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 | | | | |
|--|--------------------------|--------------------|--------------------|--------------|--------------|
| | 1st quarter-end | 2st quarter-end | 3st quarter-end | Year-ended | Total |
| | Yen | Yen | Yen | Yen | Yen |
| April 1, 2023 – March 31, 2024 | — | 4,560,164.00 | — | 1,500,000.00 | 6,060,164.00 |
| April 1, 2024 – March 31, 2025 | — | | | | |
| April 1, 2024 – March 31, 2025 (Forecast) | | 1,500,000.00 | — | 1,500,000.00 | 3,000,000.00 |

(Note) Changes of the forecasts of the cash dividends per share from the latest release: No

(Note) Dividend per share at the end of the second quarter of the fiscal year ending March 31, 2024 includes 3,060,164.00 yen of accumulated unpaid dividends for the fiscal year ended March 31, 2023.

1. Summary of Business Results

(1) Summary of Business Results for the Quarter under Review

Revenues in the first quarter under review fell by ¥ 25,222 million to ¥ 202,569 million compared with the same period of the previous year, mainly due to a decrease in fuel cost adjustments following lower fuel prices, and ordinary revenues, including non-operating income, fell by ¥ 24,615 million to ¥ 204,358 million.

Ordinary income decreased by ¥14,376 million from the previous consolidated cumulative first quarter to ¥33,172 million, mainly due to a reduction in gains from the fuel cost adjustment system for the period.

Net income attributable to shareholders of the parent company decreased ¥3,360 million to ¥31,245 million, mainly due to the recording of a gain on sale of nuclear fuel as an extraordinary gain, despite a decrease in ordinary income.

(2) Summary of financial position for the quarter under review

Assets, liabilities and net assets

Assets were ¥ 2,108.768 billion, a decrease of ¥ 32.922 billion from the end of the previous fiscal year. This was due to a decrease in electric utility related fixed assets resulting from the reversal of assets corresponding to asset retirement obligations and depreciation, despite an increase in fixed assets in progress. Assets corresponding to asset retirement obligations were reversed due to the abolition of the Ministerial Order on Allowance for Dismantling of Nuclear Power Plants and amendments to the Electricity Utilities Accounting Regulations as a result of the enactment of the Law to Amend the Electricity Utilities Act to Establish an Electricity Supply System to Achieve a Decarbonized Society, among others.

Liabilities decreased by ¥61,626 million to ¥1,746,536 million compared with the end of the previous financial year. Contribution payable for nuclear reactor decommissioning were recorded in line with the same amendments and abolition of laws and regulations as for assets, and asset retirement obligations were reversed.

Net assets increased by ¥28,703 million from the end of the previous fiscal year to ¥362,231 million, mainly due to the recording of net income attributable to parent company shareholders for the quarter, despite the payment of dividends.

As a result, the shareholders' equity ratio as of June 30, 2024 was 16.5%, up 1.6% from the end of the previous fiscal year.

For a review of business results, please refer to the "Financial Results for the First Quarter of FY2024 (April-June)" released today (July 31, 2024) on "TDnet" and on the Company's website. <https://www.hepco.co.jp/>

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| Assets | | |
| Non-current assets | 1,748,635 | 1,727,754 |
| Electric utility plant and equipment | 1,138,647 | 1,106,221 |
| Hydroelectric power production facilities | 200,373 | 201,720 |
| Thermal power production facilities | 166,613 | 162,539 |
| Nuclear power production facilities | 133,258 | 109,757 |
| Transmission facilities | 177,740 | 175,777 |
| Transformation facilities | 105,378 | 103,809 |
| Distribution facilities | 300,871 | 300,190 |
| General facilities | 43,138 | 41,454 |
| Other electric utility plant and equipment | 11,272 | 10,972 |
| Other non-current assets | 61,688 | 61,087 |
| Construction in progress | 227,374 | 238,806 |
| Construction in progress | 202,533 | 213,797 |
| Retirement in progress | 401 | 569 |
| Special account related to reprocessing of spent nuclear fuel | 24,439 | 24,439 |
| Nuclear fuel | 163,258 | 164,336 |
| Nuclear fuel in processing | 163,258 | 164,336 |
| Investments and other assets | 157,665 | 157,302 |
| Long-term investments | 86,460 | 89,300 |
| Retirement benefit asset | 21,307 | 21,578 |
| Deferred tax assets | 36,663 | 33,119 |
| Other | 13,581 | 13,654 |
| Allowance for doubtful accounts | (346) | (350) |
| Current assets | 393,056 | 381,014 |
| Cash and deposits | 110,709 | 99,900 |
| Notes and accounts receivable - trade, and contract assets | 97,639 | 91,175 |
| Inventories | 67,989 | 73,641 |
| Other | 118,389 | 117,776 |
| Allowance for doubtful accounts | (1,670) | (1,480) |
| Total | 2,141,691 | 2,108,768 |

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Liabilities and net assets | | |
| Liabilities | | |
| Non-current liabilities | 1,358,231 | 1,343,455 |
| Bonds payable | 678,500 | 699,000 |
| Long-term borrowings | 514,891 | 505,505 |
| Contribution payable for nuclear reactor decommissioning | - | 92,409 |
| Retirement benefit liability | 34,602 | 34,180 |
| Asset retirement obligations | 117,313 | - |
| Other | 12,924 | 12,358 |
| Current liabilities | 447,337 | 400,946 |
| Current portion of non-current liabilities | 168,936 | 155,683 |
| Short-term borrowings | 44,500 | 44,500 |
| Notes and accounts payable - trade | 86,460 | 81,506 |
| Accrued taxes | 26,685 | 26,529 |
| Other | 120,754 | 92,725 |
| Reserves under special laws | 2,594 | 2,135 |
| Reserve for water shortage | 2,594 | 2,135 |
| Total liabilities | 1,808,163 | 1,746,536 |
| Net assets | | |
| Shareholders' equity | 311,839 | 339,292 |
| Share capital | 114,291 | 114,291 |
| Capital surplus | 47,348 | 47,348 |
| Retained earnings | 168,070 | 195,526 |
| Treasury shares | (17,870) | (17,873) |
| Accumulated other comprehensive income | 7,543 | 8,882 |
| Valuation difference on available-for-sale securities | 7,235 | 9,306 |
| Deferred gains or losses on hedges | (1,499) | (2,238) |
| Remeasurements of defined benefit plans | 1,807 | 1,814 |
| Non-controlling interests | 14,145 | 14,056 |
| Total net assets | 333,528 | 362,231 |
| Total | 2,141,691 | 2,108,768 |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

| | For the three months ended June 30, 2023 | For the three months ended June 30, 2024 |
|---|---|---|
| Operating revenue | 227,791 | 202,569 |
| Electric utility operating revenue | 218,212 | 192,762 |
| Other business operating revenue | 9,579 | 9,806 |
| Operating expenses | 178,365 | 167,893 |
| Electric utility operating expenses | 170,163 | 159,779 |
| Other business operating expenses | 8,201 | 8,114 |
| Operating profit | 49,426 | 34,676 |
| Non-operating income | 1,181 | 1,788 |
| Dividend income | 412 | 380 |
| Interest income | 3 | 28 |
| Gain on derivatives | - | 476 |
| Other | 765 | 903 |
| Non-operating expenses | 3,058 | 3,291 |
| Interest expenses | 2,555 | 2,550 |
| Share of loss of entities accounted for using equity method | 78 | 81 |
| Other | 424 | 659 |
| Total ordinary revenue | 228,973 | 204,358 |
| Total ordinary expenses | 181,423 | 171,185 |
| Ordinary profit | 47,549 | 33,172 |
| Provision or reversal of reserve for water shortage | 27 | (458) |
| Provision of reserve for water shortage | 27 | - |
| Reversal of reserve for water shortage | - | (458) |
| Extraordinary income | - | 9,619 |
| Gain on sale of nuclear fuel | - | 9,619 |
| Profit before income taxes | 47,522 | 43,251 |
| Income taxes - current | 6,014 | 8,838 |
| Income taxes - deferred | 6,944 | 3,069 |
| Total income taxes | 12,958 | 11,907 |
| Profit | 34,563 | 31,343 |
| Profit (loss) attributable to non-controlling interests | (41) | 98 |
| Profit attributable to owners of parent | 34,605 | 31,245 |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

| | For the three months ended June 30, 2023 | For the three months ended June 30, 2024 |
|--|---|---|
| Profit | 34,563 | 31,343 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 851 | 2,052 |
| Deferred gains or losses on hedges | (160) | (798) |
| Remeasurements of defined benefit plans, net of tax | 335 | (9) |
| Share of other comprehensive income of entities accounted for using equity method | - | 59 |
| Total other comprehensive income | 1,026 | 1,304 |
| Comprehensive income | 35,590 | 32,648 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 35,584 | 32,584 |
| Comprehensive income attributable to non-controlling interests | 6 | 64 |

(Notes to Segment Information)
(Segment information)

I . For the three months ended June 30, 2023 (April 1, 2023– June 30, 2023)

Information on sales, profit or loss and revenue breakdown by reportable segment

(Million yen)

| | Reportable segment | | | Other*1 | Total | Adjustments*2 | Amount recorded in quarterly consolidated statements of income*3 |
|------------------------------------|-------------------------|---------------------------------|---------|---------|---------|---------------|--|
| | Hokkaido Electric Power | Hokkaido Electric Power Network | Total | | | | |
| Revenue from customer contracts | 168,940 | 27,544 | 196,484 | 8,515 | 204,999 | — | 204,999 |
| Electric utility operating revenue | 167,912 | 27,544 | 195,456 | 379 | 195,835 | — | 195,835 |
| Other business operating revenue | 1,028 | — | 1,028 | 8,136 | 9,164 | — | 9,164 |
| Other revenues*4 | 21,659 | 819 | 22,479 | 312 | 22,792 | — | 22,792 |
| Sales to customers | 190,600 | 28,363 | 218,963 | 8,827 | 227,791 | — | 227,791 |
| Intersegment sales | 16,799 | 45,936 | 62,735 | 19,174 | 81,910 | (81,910) | — |
| Total operating revenue | 207,399 | 74,300 | 281,699 | 28,002 | 309,702 | (81,910) | 227,791 |
| Segment income | 40,705 | 7,741 | 48,446 | 1,598 | 50,045 | (2,495) | 47,549 |

*1: The " Other " segment is a business segment that is not included in the reportable segments and includes other consolidated subsidiaries.

*2: The segment income adjustment of (2,495) million are due to elimination of intersegment transactions.

*3: Segment income is adjusted to Ordinary income in the Quarterly Consolidated Statements of Income.

*4: The " Other revenues " in net sales includes subsidies received as a source of funds for electricity and gas rate discounts at the unit prices set by the government under the "Projects to Mitigate Drastic Changes in Electricity and Gas Prices" implemented under the "Comprehensive Economic Measures to Overcome High Commodity Prices and Realize Economic Recovery. The breakdown is ¥21,375 million for Hokkaido Electric Power, ¥309 million for Hokkaido Electric Power Network, and ¥30 million for others.

II . For the three months ended June 30, 2024 (April 1, 2024– June 30, 2024)

Information on sales, profit or loss and revenue breakdown by reportable segment

(Million yen)

| | Reportable segment | | | Other*1 | Total | Adjustments*2 | Amount recorded in quarterly consolidated statements of income*3 |
|------------------------------------|-------------------------|---------------------------------|---------|---------|---------|---------------|--|
| | Hokkaido Electric Power | Hokkaido Electric Power Network | Total | | | | |
| Revenue from customer contracts | 156,436 | 27,491 | 183,928 | 8,261 | 192,189 | — | 192,189 |
| Electric utility operating revenue | 155,314 | 27,483 | 182,797 | 0 | 182,797 | — | 182,797 |
| Other business operating revenue | 1,122 | 7 | 1,130 | 8,260 | 9,391 | — | 9,391 |
| Other revenues*4 | 9,382 | 689 | 10,071 | 308 | 10,380 | — | 10,380 |
| Sales to customers | 165,818 | 28,181 | 193,999 | 8,569 | 202,569 | — | 202,569 |
| Intersegment sales | 15,139 | 45,624 | 60,763 | 17,848 | 78,611 | (78,611) | — |
| Total operating revenue | 180,958 | 73,805 | 254,763 | 26,417 | 281,181 | (78,611) | 202,569 |
| Segment income | 30,849 | 2,871 | 33,720 | 1,216 | 34,936 | (1,763) | 33,172 |

*1: The " Other " segment is a business segment that is not included in the reportable segments and includes other consolidated subsidiaries.

*2: The segment income adjustment of (1,763) million are due to elimination of intersegment transactions.

*3: Segment income is adjusted to Ordinary income in the Quarterly Consolidated Statements of Income.

*4: Other income" under sales includes subsidies received as a source of funds for electricity and gas price discounts at the unit price set by the government under the 'Project for Measures to Mitigate Drastic Changes in Electricity and Gas Prices' implemented based on the 'Comprehensive Economic Measures to Completely Overcome Deflation'. The breakdown is ¥9,199 million for Hokkaido Electric Power, ¥29 million for Hokkaido Electric Power Network.

(Note regarding the case of material fluctuation in shareholders' equity occurs)

Not applicable

(Note on the premise of going concern)

Not applicable

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) for the first quarter of the current fiscal year are as follows.

| | For the three months ended June 30, 2023 (April 1, 2023– June 30, 2023) | For the three months ended June 30, 2024 (April 1, 2024– June 30, 2024) |
|-------------------------------|--|--|
| Depreciation and amortization | ¥18,165 million | ¥18,451 million |

Note: The information shown above is an English translation of the “Financial Release for the Three Months Ended June 30, 2024” 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.