

Financial Results for the Six Months Ended September 30, 2014

Hokkaido Electric Power Co., Inc
November 12, 2014

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*In this presentation, “FY(Fiscal Year)” refers to the period of April 1 through March 31 of each year.
e.g. FY2015 means the period from April 1, 2014 to March 31, 2015.

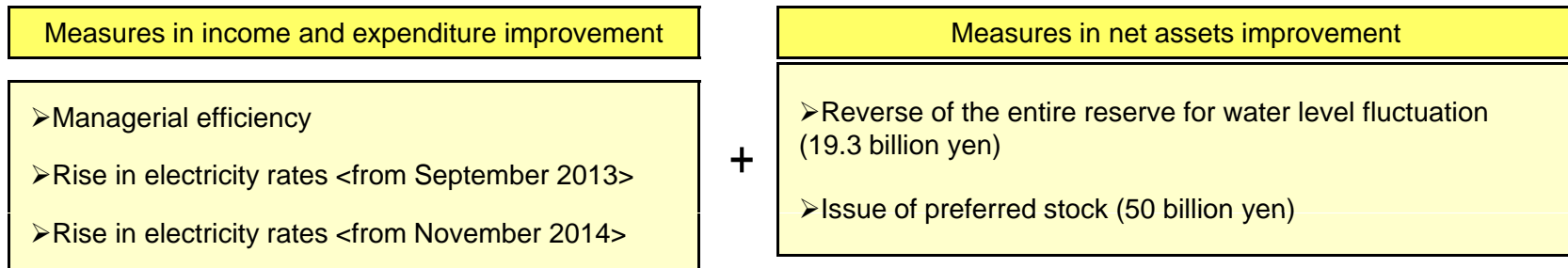
Management Situation (1)

【Business Summary】

We raised the electricity rates in September 2013 because of the rapid financial deterioration due to the significant increases in thermal fuel expenses caused by the successive shutdowns of the Tomari Nuclear Power Plant (the Tomari) after the Great East Japan Earthquake.

We had made great efforts, such as the actions taken in response to the review of conformity to the new regulatory requirements and the construction works to secure safety, to restart the Tomari. However, we could not achieve the sequentially restart of the Tomari from December 2013 although we had expected. In FY2014, we had incurred a deficit for three fiscal years and total net assets fell to less than the capital stock.

We made every possible effort, including measures on the capital side and in management efficiency in FY2015. However, we could not avoid the prolonged suspension of the Tomari. Thus, we asked the government for approval to increase electricity rates on July 31, 2014, based on the new rates revision system that is applied to cases where the power supply configuration has changed. We raised electricity rates from November 2014.



【Present Status and Issues】

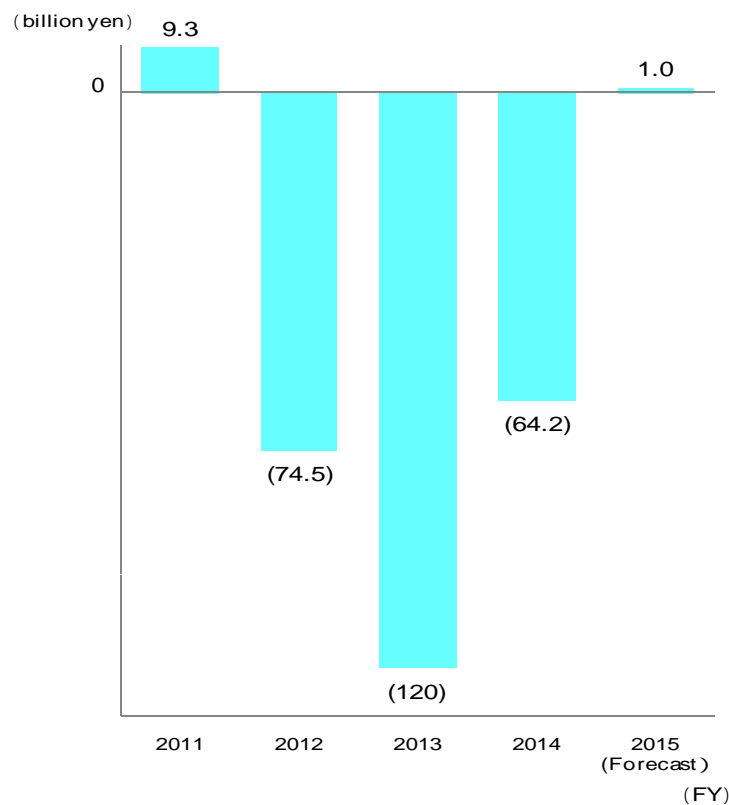
- Rise in electricity rates make us possible to secure the necessary funds for fuel procurement and equipment maintenance and we can maintain a stable power supply.
- Because of the challenging business environment, we will steadily proceed with improving management efficiency across all areas of expenditure.
- To this end, we will continue our earnest efforts to restart the Tomari, which will help recover our financial strength and ensure stable supply, as early as possible.

Management Situation (2)

Situation of Profit/Loss and Net Assets

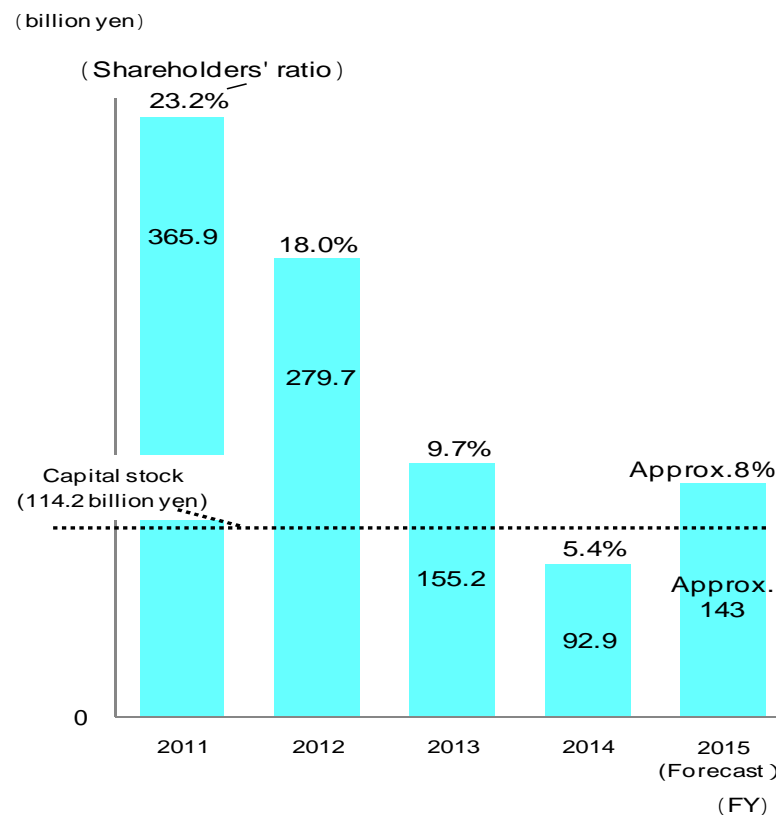
Profit/Loss 【Non-Consolidated】

Forecast of net income in FY 2015 is 1 billion yen because of the reverse of the entire reserve for water level fluctuation and the rise in electricity rates, etc.



Net Assets 【Non-Consolidated】

Forecast of total net assets as of March 31, 2015, is around 143 billion yen (recovering from capital stock levels) through implementing measures covering net assets and profit improvement.



Rise in Electricity Rates

After revising the time of restart of the Tomari, we asked the government for approval to increase electricity rates on July 31, 2014, based on the new rates revision system that is applied to the case where the power supply configuration has changed. We received government approval on October 15, after a thorough examination by the Electricity Rates Examination Specialized Subcommittee, public hearing, and an examination by the Consumer Commission. The Implementation date was November 1, 2014.

The revised cost amount from the previous electricity rates was 106.4 billion yen. The electricity rates for the regulated category were raised on November 1 by 15.33% on average, and by 20.32% in the liberalized category.

We are implementing the rates reduction measures to lighten the burden on customers from November 1, 2014, to March 31, 2015, as result of our own deliberations and considering the assessment policy proposal of Electricity Rates Examination Specialized Subcommittee.

【Summary of Rise in Electricity Rates】

Change of Costs because of the Change of Supply Configuration

(billion yen)			
	Authorized costs: A (average of FY2015 to FY2016)	Previous costs: B (average of FY2014 to FY2016)	Amounts of change: C A - B
Fuel	211.3	146.0	65.3
Purchased Power	91.8	50.0	41.8
Power Sales ^{*1}	(3.4)	(6.5)	3.2
Nuclear Back-End Expenses	1.2	5.9	(4.7)
Business Tax	8.0	7.2	0.8
Total	309.0	202.6	106.4

*1 Power sales is the gains to be deducted from the total costs for electricity.

Principal Figures for the Cost Calculation

Cost calculation period	FY2015 ~ FY2016	
Restart time of the Tomari Nuclear Power Plant	Unit 3	Nov. 2015
	Unit 1	Jan. 2016
	Unit 2	Mar. 2016
Nuclear power utilization rates	11%	
Electricity sales*	31.8 TWh/year	
Crude oil prices*	112.6 \$/b	
Foreign exchange rates*	87 yen/\$	

*Following the calculation rules, these figures were not changed from the previous authorized costs.

Average Electricity Rates Increase Ratio in Regulated and Liberalized Category

	Applied increase in rates	Authorized increase in rates	Rate reduction measures (period: Nov. 2014 ~ Mar. 2015)*
Regulated category (Low voltage)	17.03%	15.33%	12.43%
Liberalized category (High and Extra-High voltage)	22.61%	20.32%	16.48%
Total	19.57%	17.62%	14.20%

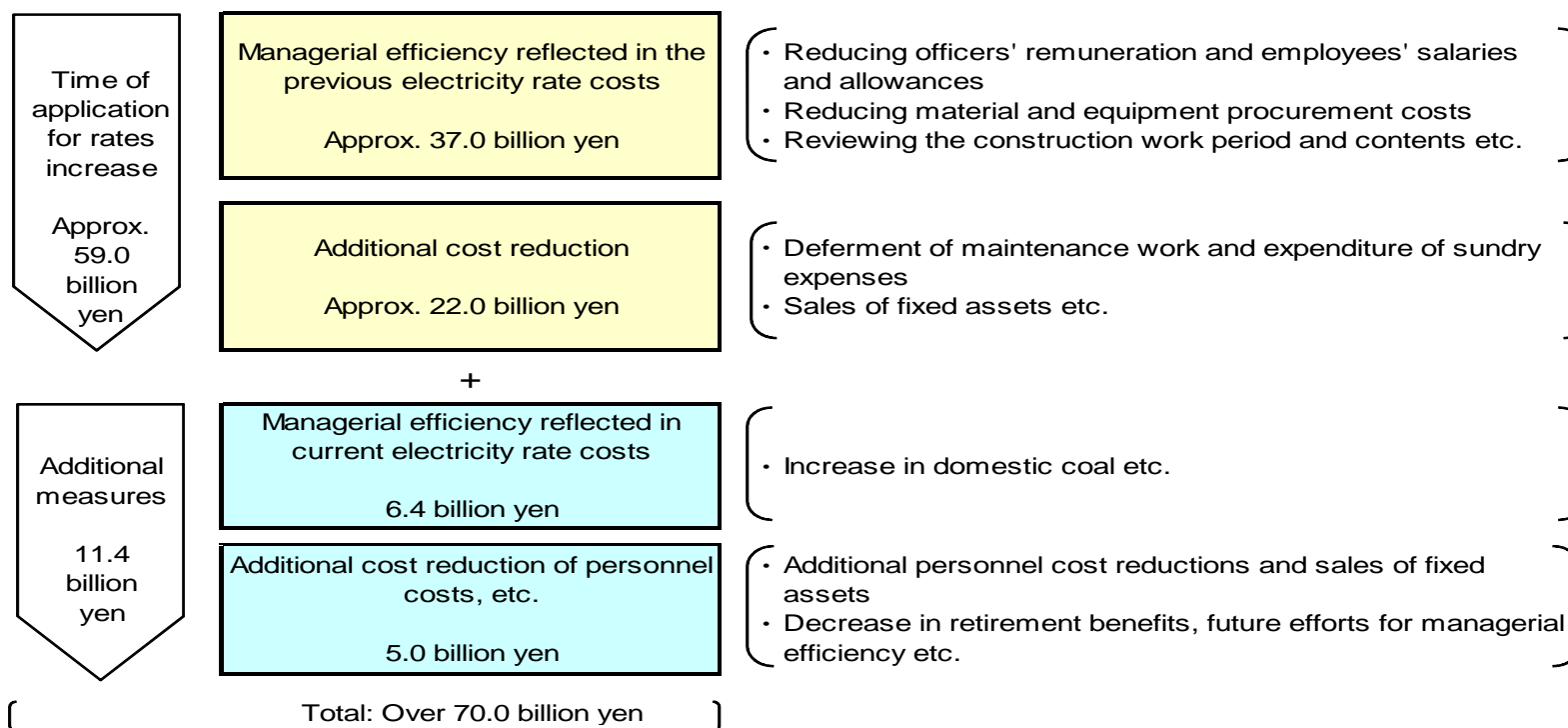
*The liberalized category covers customers to whom new rates were applied during the period of rates reduction measures.

Initiatives to Improve Managerial Efficiency

We will steadily proceed with improving management efficiency across all areas of expenditure due to the challenging business environment.

Measures in FY2015

- We are implementing cost reduction measures of approx. 59.0 billion yen, including 37.0 billion yen already reflected in the previous electricity rate costs and the additional cost reduction of 22.0 billion yen.
- Furthermore, we are aiming to achieve a cost reduction of more than 70.0 billion yen, including 6.4 billion yen reflected in the current electricity rate costs and an additional cost reduction of approx. 5.0 billion yen concerning personnel costs, etc.



*In FY2016, we are also planning further managerial efficiency improvements valued at over 55.0 billion yen and will also proceed with other efficiency programs.

Measures Taken to Restart the Tomari Nuclear Power Plant (1)



We are making every effort to ensure that there are no issues with reviews based on the new regulatory requirements set out by Japan's Nuclear Regulatory Commission (JNRC) and finish promptly the construction works to secure safety.

[Response to Reviews Based on the New Regulatory Requirements]

(As of Nov. 12, 2014)

	Tomari Nuclear Power Plant Unit 3	Tomari Nuclear Power Plant Unit 1 & 2
Submission of Applications	Jul. 2013	Jul. 2013 Mar. 2014 (Correction Applied)
Review Status	<p>61 times</p> <p>We have already submitted 25 items of 27, including severe accident measures, tsunami and volcanic hazard evaluation, etc. The last 2 items (evaluation of equipment and facilities for severe accident measures, reference seismic motion) are related to reference seismic motion.</p> <p>The review by JNRC is continuing towards the determination of reference seismic motion.</p>	<p>31 times</p> <p>We explained the outline of the corrections applied in the review meeting on Mar. 25, 2014. The items, excluding plant facilities evaluation, such as seismic motion, tsunami, and volcanic hazard evaluation are under review by JNRC.</p>

[Current Status of Construction Works to Secure Safety]

	Tomari Nuclear Power Plant Unit 3	Tomari Nuclear Power Plant Unit 1 & 2
Planned Construction Works at the time of enforcement of the New Regulatory Requirements (Jul. 2013)	Loading and equipment installation work have been largely completed.	
Added and Revised Construction Works based on the review by JNRC	Duplication of Containment Spray System	Additional installation of the pipe has been almost completed.
	Protective facilities for Tornado Countermeasure Construction against internal fires and internal flooding, etc.	We are making every effort to finish the construction work as soon as possible although there is the possibility of additions and revisions to the work.

Measures Taken to Restart the Tomari Nuclear Power Plant (2)

Regarding reference seismic motion for the seismic evaluation of facilities, a review by JNRC covering the following points is ongoing:

The Western Coastal Landform of Shakotan Peninsula

Seismic motion with an unidentified hypocenter (Consideration of the Iwate-Miyagi inland earthquake)

Reference Seismic Motion Issues	Viewpoint by JNRC	Our Viewpoint	Current Status
The Western Coastal Landform of Shakotan Peninsula	<ul style="list-style-type: none"> Some places in the coastal landform are higher than the intertidal zone. The possibility of seismic upheaval cannot be denied. 	<ul style="list-style-type: none"> The coastal landform was under the influence of tide level changes and waves at the time of the surge. High and low of the landform is due to the intensity of the erosion resistance to waves depending on the rock type. It is not due to the seismic upheaval according to the results of an investigation in the northern and eastern part of Shakotan Peninsula. 	<ul style="list-style-type: none"> We received an indication from JNRC to enhance accuracy in specifying the sedimentation time of the bench sediment and explain the broad-based upheaval of Shakotan Peninsula. Currently, we are collecting data and continuing the examination.
Seismic motion with unidentified hypocenter (Consideration of Iwate-Miyagi inland earthquake)	<ul style="list-style-type: none"> Should consider Iwate-Miyagi inland earthquake. 	<ul style="list-style-type: none"> The landform and distribution of geologic structures around the Tomari is different from the hypocentral region of the Iwate-Miyagi inland earthquake. Regional differences are apparent. However, we decided to take the earthquake into account from the viewpoint of further safety improvement. 	<ul style="list-style-type: none"> We are examining the assessment of seismic motion while taking the Iwate-Miyagi inland earthquake into consideration.

Dividends

FY2015 2nd Quarter

- Extremely tough financial situation continued.



Dividends for common stock and preferred stock not paid.

End of FY2015

- Need to ascertain future income and expenditure levels, and the financing situation.



Dividends for common stock and preferred stock have yet to be decided.

【Efforts for the future】

- We will make every effort to restart the Tomari Nuclear Power Plant as soon as possible and aim at the early resumption of dividend payments, while considering future income and expenditure levels, and the financing situation.

Financial Results and Forecasts

Financial Results for the Six Months Ended September 30, 2014

Summary of Financial Results



Points of Financial Results for the Six Months (April-September)

Revenue	<p>[Increase factors]</p> <ul style="list-style-type: none"> · Rise in electricity rates since September of 2013, influence of the feed-in-tariff scheme for renewable energy, etc. <p>[Decrease factors]</p> <ul style="list-style-type: none"> · Decrease in electricity sales, etc.
Expenses	<p>[Increase factors]</p> <ul style="list-style-type: none"> · Increase in fuel costs due to the decrease in utilization of overseas coal-fired thermal power plants, etc. <p>[Decrease factors]</p> <ul style="list-style-type: none"> · Reduction in costs, such as deferral of repair work and miscellaneous costs.

(Billion yen)

	Consolidated				Non-consolidated			
	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Comparison (A) / (B) %	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Comparison (A) / (B) %
Operating Revenue	319.0	290.0	29.0	110.0	305.6	278.0	27.6	109.9
Operating Income(loss)	2.6	(30.4)	33.1	-	2.4	(32.2)	34.7	-
Ordinary Income(loss)	(4.9)	(37.6)	32.7	-	(4.1)	(39.4)	35.2	-
Net Income(loss)	13.6	(0.1)	13.8	-	14.8	(1.1)	15.9	-

Statement of Operations (Consolidated)



(Billion yen)

		April 1 – Sept. 30, 2014(A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2013 – March 31, 2014
Ordinary Revenues	Operating Revenues	319.0	290.0	29.0	110.0	630.3
	Electricity	304.7	277.1	27.6	110.0	603.0
	Others	14.3	12.9	1.4	111.2	27.3
	Non-operating Revenue	1.6	1.6	(0.0)	97.4	2.6
	Subtotal	320.7	291.7	28.9	109.9	633.0
Ordinary Expenses	Operating Expenses	316.4	320.4	(4.0)	98.7	710.5
	Electricity	303.6	309.1	(5.4)	98.2	685.8
	Others	12.7	11.3	1.4	112.6	24.6
	Non-operating Expenses	9.1	8.8	0.3	103.8	17.8
	Subtotal	325.6	329.3	(3.7)	98.9	728.4
[Operating Income(loss)]		[2.6]	[(30.4)]	[33.1]	[-]	[(80.1)]
Ordinary Income(loss)		(4.9)	(37.6)	32.7	-	(95.3)
Provision or reversal of reserve for fluctuation in water levels		(18.9)	2.6	(21.5)	-	2.6
Income (loss) before income taxes, minority interests in income		14.0	(40.2)	54.2	-	(97.9)
Income taxes		1.0	(40.0)	41.1	-	(35.2)
Income(loss) before minority interests		12.9	(0.1)	13.1	-	(62.7)
Minority interests in income (loss)		(0.6)	0.0	(0.6)	-	0.2
Net Income(loss)		13.6	(0.1)	13.8	-	(62.9)

(Appendix)	Comprehensive Income	11.0	(1.6)	12.6	-	(54.1)
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Electricity Sales



Total electricity sales have decreased by 2.8% compared to the same term last year

Non-eligible customers	Decreased 244GWh (decreased by 3.9% compared to the same term last year) [Decrease factors] · Decrease in heating demand due to high temperature in early spring, etc.
Eligible customers	Decreased 165 GWh (decreased by 2.0% compared to the same term last year) [Decrease factors] · Decrease in heating demand due to high temperature in early spring, falling production in industrial customers, cooperative efforts to reduce electricity demand by increased use of private power generation facilities, etc.

(GWh)

		April 1 – Sept. 30, 2014(A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2013– March 31, 2014
Non-eligible customers	[Time-of-use(included in "Residential") Residential	[1,103] 5,111	[1,126] 5,302	[(23)] (191)	[98.0] 96.4	[2,755] 11,595
	Commercial and Industrial	861	914	(53)	94.2	2,602
	Subtotal	5,972	6,216	(244)	96.1	14,197
Eligible customers	Commercial	4,022	4,102	(80)	98.1	8,285
	Industrial	4,020	4,105	(85)	97.9	8,154
	Subtotal	8,042	8,207	(165)	98.0	16,439
Total		14,014	14,423	(409)	97.2	30,636
Large commercial and industrial customers (included in "Eligible customers")		[2,498]	[2,576]	[(78)]	[97.0]	[4,951]

()

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
Average temperature in 2014	actual	(0.3)	6.3	12.9	17.7	21.5	21.8	17.4
	year-on-year	0.0	0.7	2.6	0.9	0.1	(0.6)	(0.8)
	deviation	(0.3)	0.1	1.5	2.0	2.1	0.5	0.0

Power Supply



- Stable electric power supplies have been maintained due to appropriate operation of supply facilities, etc., despite the unplanned suspension and output power suppression of thermal power plants, etc., in addition to the shutdown of all units at the Tomari Power Station.

[Reasons for the increase/decrease from the same term last year]

(Hokkaido Electric Power)

- Hydroelectric power; Decrease in hydroelectric power output caused by the adverse impact of high value of the same term last year.
- Fossil Fuel; Decrease in overseas coal-fired thermal power generation caused by an increase in the length of periodic inspections, etc.
- Nuclear; Shutdown of all units at the Tomari Power Station.
- (Purchased power) Increase in renewable energy, etc.

(GWh)

		April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2013 – March 31, 2014
Hokkaido Electric Power Co., Inc.	[Water flow rate %] Hydroelectric	[98.6%] 2,137	[106.9%] 2,294	[(8.3%)] (157)	93.2	[114.3%] 3,875
	Fossil Fuel	9,778	10,202	(424)	95.8	23,441
	[Nuclear capacity ratio %] Nuclear	[-] -	[-] -	[-] -	-	[-] -
	Renewable	75	47	28	158.9	145
	Subtotal	11,990	12,543	(553)	95.6	27,461
Purchased power		3,209	3,104	105	103.4	6,772
Interchanged power		5	(1)	6	-	3
Power used for pumped storage		(40)	(11)	(29)	348.0	(23)
Total		15,164	15,635	(471)	97.0	34,213

Statement of Operations (Non-consolidated Revenue)



(Billion yen)

		April 1 – Sept. 30, 2014(A)	April 1 – Sept. 30, 2013(B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Electricity Sales	Residential	127.2	119.8	7.4	<ul style="list-style-type: none"> • Increase in revenue due to electricity rate raise; 20.8 • Surcharge for renewable energy; 4.1 • Effects of fuel cost adjustments; 2.1 • Decrease in electricity sales; (7.6)
	Commercial and Industrial	159.5	142.9	16.6	
	Subtotal	286.8	262.8	24.0	
Others		21.2	16.7	4.5	<ul style="list-style-type: none"> • Grant under Act on Purchase of Renewable Energy Sourced Electricity; 7.2
[Operating Revenue]		[305.6]	[278.0]	[27.6]	
Ordinary Revenue		308.1	279.5	28.5	

Statement of Operations (Non-consolidated Expenses and income)



(Billion yen)

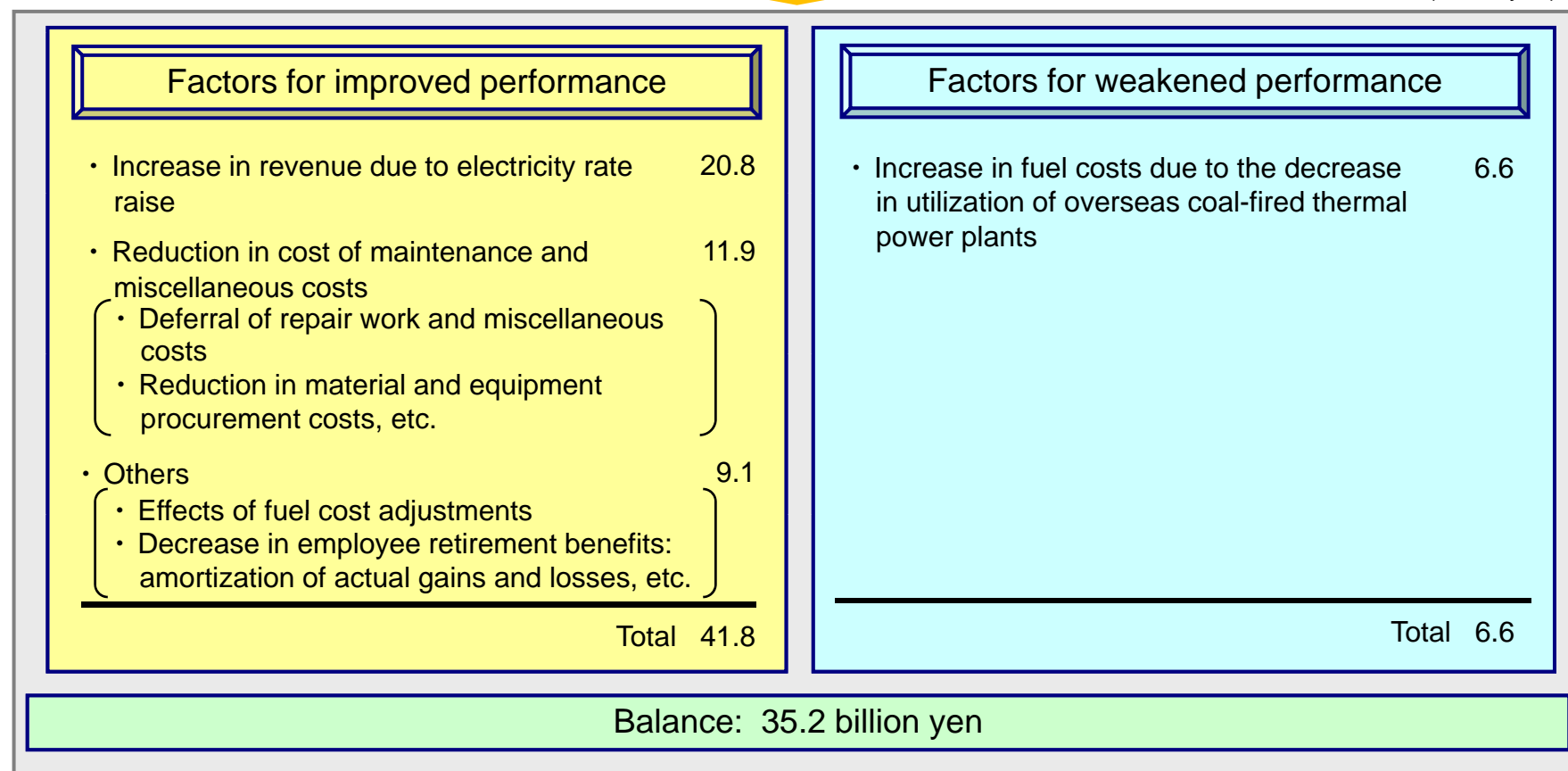
	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Personnel	19.6	27.2	(7.5)	<ul style="list-style-type: none"> • Decrease in salaries and allowances; (3.4) • Decrease in retirement allowance expenses; (3.3)
Fuel and Purchased Power	137.4	125.7	11.6	<ul style="list-style-type: none"> • Increase in cost of purchase of renewable energy; 7.2 • Decrease in utilization of overseas coal-fired thermal power plants; 6.6
Fuel [included in “Fuel and Purchased Power”]	[86.0]	[83.9]	[2.1]	
Purchased Power [included in “Fuel and Purchased Power”]	[51.4]	[41.8]	[9.5]	
Maintenance	29.6	32.9	(3.2)	<ul style="list-style-type: none"> • Reduction in material and equipment procurement costs, deferral of repair work, etc.; (3.5)
Depreciation	42.3	44.0	(1.7)	
Interest Expenses	8.3	8.0	0.3	
Other Expenses	74.7	80.9	(6.1)	<ul style="list-style-type: none"> • Deferral of miscellaneous costs, etc.; (2.4)
Total	312.2	318.9	(6.7)	
[Operating Income(loss)]	[2.4]	[(32.2)]	[34.7]	
Ordinary Income(loss)	(4.1)	(39.4)	35.2	
Provision or reversal of reserve for fluctuation in water levels	(18.9)	2.6	(21.5)	<ul style="list-style-type: none"> • Reversal of the entire reserve at the end of last fiscal year; (19.3)
Income taxes	-	(40.8)	40.8	<ul style="list-style-type: none"> • Adverse impact of recording of deferred tax assets in the same term last year; 40.8
Net Income(loss)	14.8	(1.1)	15.9	

Key Factors Affecting Financial Results (Non-consolidated)



Ordinary Income for the Six-Months Ended September 30, 2013 : (39.4) billion yen

(Billion yen)



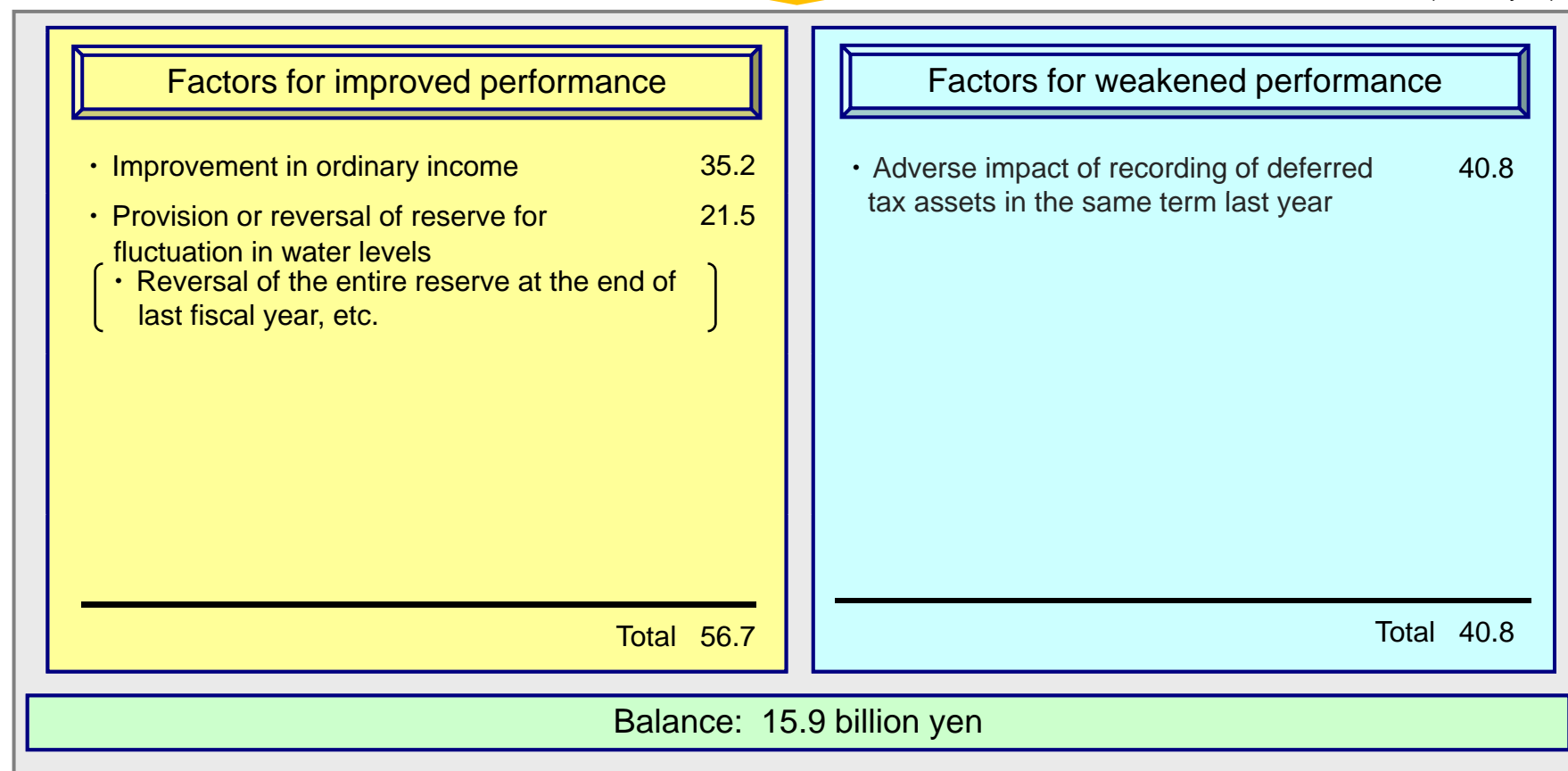
Ordinary Income for the Six-Months Ended September 30, 2014 : (4.1) billion yen

Key Factors Affecting Financial Results (Non-consolidated)



Net Income for the Six-Months Ended September 30, 2013 : (1.1) billion yen

(Billion yen)



Net Income for the Six-Months Ended September 30, 2014 : 14.8 billion yen

Balance Sheets (Consolidated/Non-consolidated)



(Billion yen)

		As of Sept. 30, 2014 (A)	As of March 31, 2014(B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease (non-consolidated)
Assets	Consolidated	1,801.2	1,782.7	18.4	<ul style="list-style-type: none"> · Capital expenditure; 38.5 · Increase in cash and deposits; 27.0 · Decrease in property of Electric utility plant caused by depreciation; (42.3)
	Non-consolidated	1,736.6	1,719.8	16.7	
Liabilities	Consolidated	1,595.2	1,636.0	(40.8)	<ul style="list-style-type: none"> · Reversal of the entire reserve for fluctuation in water levels at the end of last fiscal year; (19.3) · Decrease in accounts payable-other; (17.8) · Decrease in accounts payable-trade; (13.3)
	Non-consolidated	1,579.3	1,626.9	(47.5)	
Net Assets	Consolidated	195.5	135.1	60.3	<ul style="list-style-type: none"> · Issuance of preferred stock; 50.0 · Posting an interim net income; 14.8
	Non-consolidated	157.2	92.9	64.3	

Note: Consolidated data of Net Assets exclude minority shareholders' interest.

Shareholders' Equity Ratio (%)	Consolidated	10.9	7.6	3.3
	Non-consolidated	9.1	5.4	3.7
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	1,307.7	1,296.1	11.6
	Non-consolidated	1,310.7	1,296.5	14.2

Consolidated Cash Flows



(Billion yen)

	April 1 – Sept. 30, 2014(A)	April 1 – Sept.30, 2013(B)	Increase/Decrease (A)-(B)	April 1, 2013 – March 31, 2014
Operating Activities	24.0	6.5	17.4	13.9
Income(loss) before income taxes [included in “Operating Activities”]	[14.0]	[(40.2)]	[54.2]	[(97.9)]
Depreciation and amortization [included in “Operating Activities”]	[45.3]	[46.9]	[(1.5)]	[96.3]
Increase (decrease) in reserve for fluctuation in water levels [included in “Operating Activities”]	[(18.9)]	[2.6]	[(21.5)]	[2.6]
Increase (decrease) in notes and accounts payable-trade [included in “Operating Activities”]	[(13.2)]	[(10.1)]	[(3.1)]	[2.2]
Investing Activities	(58.3)	(60.7)	2.4	(130.4)
Purchase of property, plant and equipment [included in “Investing Activities”]	[(62.7)]	[(62.3)]	[(0.3)]	[(134.3)]
Collection of investment and loans receivable [included in “Investing Activities”]	[3.7]	[1.2]	[2.5]	[3.9]
Net CF	(34.2)	(54.2)	19.9	(116.5)
Financing Activities	60.8	80.2	(19.3)	160.2
Increase(Decrease) in Interest-bearing Debts [included in “Financing Activities”]	[11.5]	[80.6]	[(69.1)]	[161.3]
Proceeds from issuance of preferred stock [included in “Financing Activities”]	[49.7]	[-]	[49.7]	[-]
Net increase(decrease) in Cash & Cash Equivalents	26.6	26.0	0.5	43.7

Forecasts of Financial Results for the Year Ending March 31, 2015

Forecasts of Financial Results for the Year Ending March 31, 2015 (Consolidated/Non-consolidated)



Forecasts of financial results

- Although the forecasts of financial results, such as operating revenue, operating income, ordinary income and net income, have not been determined to date, we have estimated the forecasts of financial results for the full year as we received authorization for the increase in electricity rates from the minister of Economy Trade and Industry on October 15.

(Approx. billion yen, TWh)

		April 1, 2014– March 31, 2015 Forecast (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A)-(B)
Consolidated	Operating revenue	709.0	630.3	79.0
	Operating income	(8.0)	(80.1)	72.0
	Ordinary income	(22.0)	(95.3)	73.0
	Net income	(3.0)	(62.9)	60.0
Non- consolidated	Operating revenue	684.0	604.6	79.0
	Operating income	(5.0)	(84.2)	79.0
	Ordinary income	(18.0)	(98.8)	80.0
	Net income	1.0	(64.2)	65.0
[Comparison to last fiscal year] Electricity sales		[Approx. 0.5%] Approx. 30.8	30.6	Approx. 0.2

Note: Electricity sales were assumed to be approx. 31.4 TWh in July of 2014.

Key Factors

Foreign Exchange Rate (yen/\$)	Approx. 107	100	Approx. 7
CIF Crude Oil Price (\$/bl)	Approx. 105	110.0	Approx. (5)

Note: We assume the foreign exchange rate and CIF crude oil price in the second half of the fiscal year will be 110 yen/\$ and 100 \$/barrel in this forecast.

Dividends

- The interim dividends will be passed as regards common stock as well as preferred stock.
- The year-end dividends have yet to be determined to evaluate the balance of the second half of the fiscal year as regards common stock as well as preferred stock.

Key Factors Affecting Financial Results (Non-consolidated)



Ordinary Income for the Year Ended March 31, 2014 : (98.8) billion yen

(Approx. billion yen)

Factors for improved performance	Factors for weakened performance
<ul style="list-style-type: none"> • Increase in revenue due to electricity rate raise 54.0 <ul style="list-style-type: none"> • Electricity rate raise in September of 2013 30.0 • Electricity rate raise in November of 2014 24.0 [including electricity rate alleviation (6.0)] • Reduction in cost of maintenance and miscellaneous costs 24.0 <ul style="list-style-type: none"> • Deferral of repair work and miscellaneous costs • Reduction in material and equipment procurement costs, etc. • Others 16.0 <ul style="list-style-type: none"> • Effects of fuel cost adjustments • Decrease in employee retirement benefits: amortization of actual gains and losses, etc. <hr/> <p style="text-align: right;">Total 94.0</p>	<ul style="list-style-type: none"> • Increase in fuel costs due to the decrease in output of hydro power generation 14.0 <hr/> <p style="text-align: right;">Total 14.0</p>
Balance: approx. 80.0 billion yen	

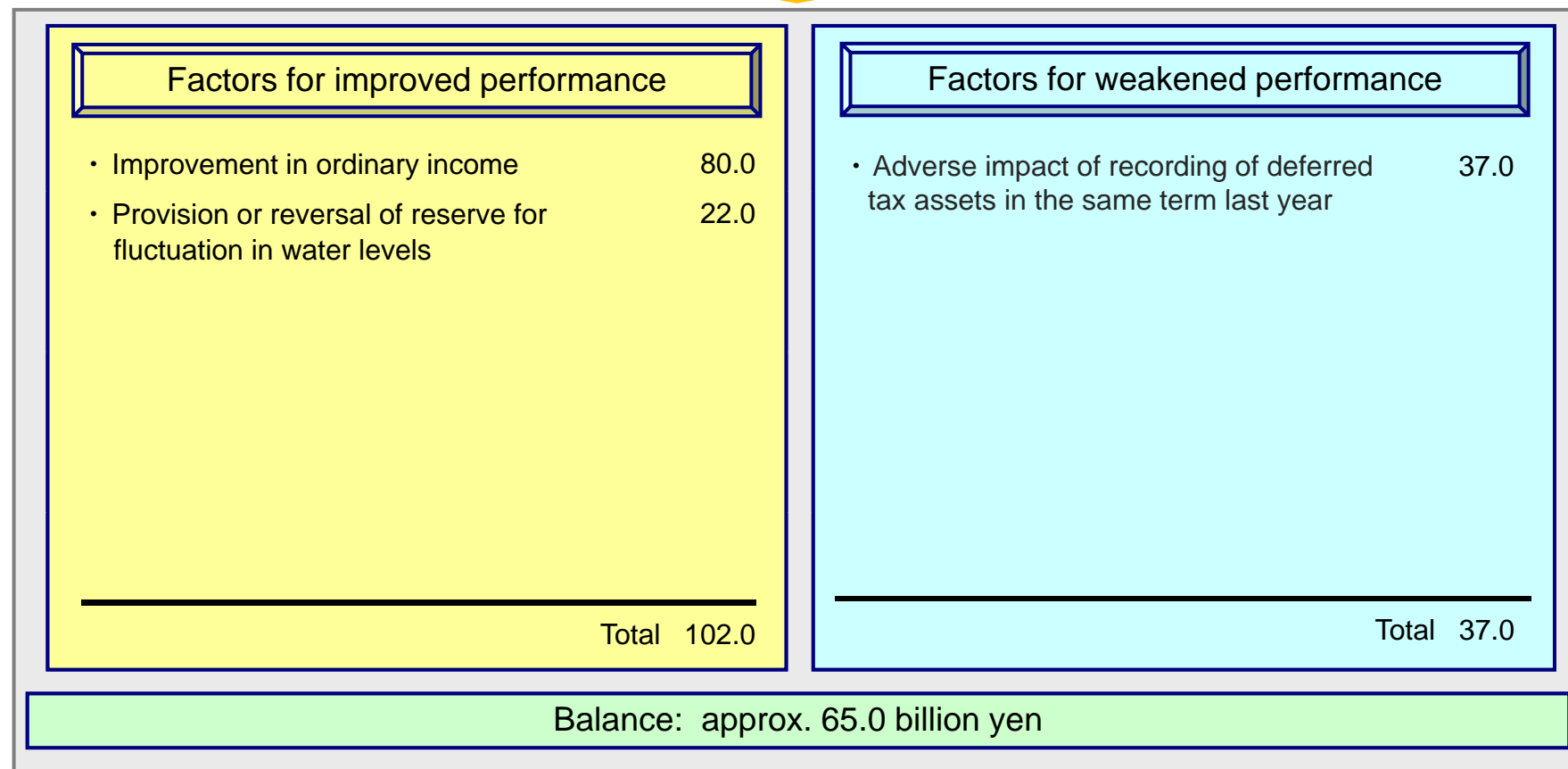
Ordinary Income for the Year Ended March 31, 2015 : approx. (18.0) billion yen

Key Factors Affecting Financial Results (Non-consolidated)



Net Income for the Year Ended March 31, 2014 : (64.2) billion yen

(Approx. billion yen)



Net Income for the Year Ended March 31, 2015 : approx. 1.0 billion yen

Appendix

[Financial Results]

Expense breakdown (non-consolidated)	
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Financial Results - Expense breakdown (Non-consolidated)

Personnel

(Billion yen)

	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Major factors for increase/decrease
Personnel	19.6	27.2	(7.5)	<ul style="list-style-type: none"> • Decrease in salaries and allowances; (3.4) • Decrease in retirement allowance expenses; (3.3)

[Amortization of actual gains and losses]

*Actual gains and losses are being amortized in the following 5 years in which the gains or losses are recognized by the straight-line method.

*A half of the annual depreciation expense was posted in the current midterm.

(Billion yen)

FY of accrual of the income	Amount accrued	Amortization of the previous year	April 1, 2014 – March 31, 2015		
			Amortization	Unamortized Balance	Ending FY [remaining year]
2009	4.9	1.0	-	-	-
2010	(6.7)	(1.3)	(1.3)	-	-
2011	(1.8)	(0.4)	(0.4)	(0.4)	2016 [1 year]
2012	(2.1)	(0.4)	(0.4)	(0.8)	2017 [2 years]
2013	(8.9)	(1.8)	(1.8)	(5.3)	2018 [3 years]
2014	(12.8)	-	(2.6)	(10.2)	2019 [4 years]
Total		(2.9)	(6.4)	(16.7)	

Financial Results - Expense breakdown (Non-consolidated)



Fuel and Purchased Power

(Billion yen)

		April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)	Major factors for increase/decrease
Fuel and Purchased Power		137.4	125.7	11.6	<ul style="list-style-type: none"> • Increase in cost of purchase of renewable energy; 7.2 • Decrease in utilization of overseas coal-fired thermal power plants; 6.6 • Decrease in output of hydro power generation; 5.4 • Decrease in electricity sales; (7.2)
Break down	Fuel	86.0	83.9	2.1	
	Purchased Power	51.4	41.8	9.5	

Key Factors

	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/Decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	103	99	4
CIF Crude Oil Price (\$/bl)	109.5	107.7	1.8
CIF Coal Price (\$/t)	96.9	110.6	(13.7)

Financial Results - Expense breakdown (Non-consolidated)

Maintenance

(Billion yen)

		April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Maintenance		29.6	32.9	(3.2)	<ul style="list-style-type: none"> Reduction in material and equipment procurement costs, deferral of repair work, etc.; (3.5)
Break down	Generation	16.0	17.9	(1.9)	
	Power- distribution	13.1	14.4	(1.2)	
	Others	0.5	0.6	(0.0)	

Depreciation

(Billion yen)

		April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Depreciation		42.3	44.0	(1.7)	<ul style="list-style-type: none"> Fixed percentage effect; (4.9) <ul style="list-style-type: none"> Tomari Nuclear Power Station Unit 3; (1.6) (included in "Fixed percentage effect") New acquisition of property, etc.; 3.2 <ul style="list-style-type: none"> Trial operation of Kyogoku Power Station Unit 1; 1.6 (included in "New acquisition of property")
Break down	Generation	24.4	26.1	(1.7)	
	Power- distribution	15.3	15.5	(0.1)	
	Others	2.5	2.3	0.1	

Financial Results - Expense breakdown (Non-consolidated)



Interest Expenses

(Billion yen)

	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
[Interest(on average)%] Interest Expenses	[1.29] 8.3	[1.35] 8.0	[(0.06)] 0.3	<ul style="list-style-type: none"> • Increase in interest-bearing debt; 0.6 • Difference in interest rates; (0.3)

Other Expenses

(Billion yen)

	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Other Expenses	74.7	80.9	(6.1)	<ul style="list-style-type: none"> • Deferral of miscellaneous costs; (2.4)

Financial Results - Segment Information



(Billion yen)

		Reportable segment	Other	Total	Adjustments	Consolidated total
		Electric				
Operating Revenue	April 1 – Sept. 30, 2014 (A)	305.4	50.4	355.9	(36.8)	319.0
	April 1 – Sept. 30, 2013(B)	277.7	54.4	332.2	(42.1)	290.0
	Increase/Decrease (A)-(B)	27.6	(3.9)	23.6	5.3	29.0
Operating Income (loss)	April 1 – Sept. 30, 2014 (A)	2.4	(0.3)	2.1	0.5	2.6
	April 1 – Sept. 30, 2013 (B)	(32.0)	1.4	(30.5)	0.1	(30.4)
	Increase/Decrease (A)-(B)	34.5	(1.8)	32.7	0.3	33.1

Electric	Supply of electricity
Other	Electric/telecommunications works, overall management of buildings, civil engineering and construction, periodic inspection/maintenance/repair works at the power plant, etc.

Financial Results - Consolidated Statements of Comprehensive Income



Consolidated Statements of Comprehensive Income

(Billion yen)

	April 1 – Sept. 30, 2014 (A)	April 1 – Sept. 30, 2013 (B)	Increase/ Decrease (A)-(B)
Income(loss) before minority interests	12.9	(0.1)	13.1
Other Comprehensive Income	(1.9)	(1.4)	(0.4)
Net unrealized holding gain(loss) on available-for-sale securities [included in "Other Comprehensive Income"]	[0.3]	[1.9]	[(1.6)]
Remeasurements of defined benefit plans, net of tax [included in "Other Comprehensive Income"]	[(2.2)]	[(3.4)]	[1.1]
Comprehensive Income	11.0	(1.6)	12.6
Comprehensive income attributable to owners of the parent [included in "Comprehensive Income"]	[11.6]	[(1.7)]	[13.4]
Comprehensive income attributable to minority interests [included in "Comprehensive Income"]	[(0.6)]	[0.0]	[(0.7)]

This material is compiled based on data available as of November 12, 2014. The company makes no guarantee as to the reliability and integrity of such information, as this is not intended to serve as disclosure material as stipulated by the Financial Instruments and Exchange Law of Japan. Projections concerning future performance in this material make no guarantee as to the future performance and contain risk and uncertainty. Please note that future performance can change according to the change of preconditions concerning the management environment. The information herein is for the purpose of disclosure of operating information. None of the information is intended to solicit or induce investors to invest in our securities. Those wishing to use this material should do so at their own judgment and be sure to verify the information obtained from other sources. Our company assumes no responsibility for any damages resulting from the use of this material.

For further information

IR Group
Corporate Planning Department
Hokkaido Electric Power Co., Inc.
2, Higashi-1, Odori, Chuo-ku, Sapporo, Hokkaido 060-8677, JAPAN
URL: <http://www.hepco.co.jp/english/>