

■ Financial Results for the Six Months
Ended September 30, 2015

Hokkaido Electric Power Co., Inc
November 11, 2015



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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. FY2016 means the period from April 1, 2015 to March 31, 2016.

■ Management Situation

<State of management>

- Hepco secured an ordinary income for the first time in four years in the second-quarter of March 2016 because of two electricity rates hike after Great East Japan Earthquake and the improvement of managerial efficiency.
- The reviews based on the new regulatory requirements for the Tomari Nuclear Power Plant (Tomari) are in the final stage for the determination of the basis seismic ground motions, and we will make every effort for the future reviews.

Measures for Stabilizing Management

- We will try to further enhance the safety of Tomari and make every effort to ensure that there are no issues with reviews based on the new regulatory requirements set out by the Nuclear Regulation Authority (NRA). We are making earnest efforts to restart operation of Tomari based on the safety of the units as soon as possible.
- We will proceed with strengthening managerial efficiency to improve profits and strengthen the financial base.

We aim to stabilize our business by ensuring stable power supplies and improving net assets.

Measures for Further Development

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- We are promoting the introduction of new power plants, such as Ishikariwan Shinko Power Plant (LNG) and expanding the capacity of the Hokkaido-Honshu HVDC Link (Kitahon HVDC Link) towards ensuring stable power supplies in the future.
- In order to become more competitive, we are proceeding with measures to ensure our customers continue to select our company and are also considering expansion of our business domains.

Amid the new business environment, our aim is that the "Hepco Group" will win the selection and trust of our customers and develop along with our region.

Measures Taken to Restart the Tomari Nuclear Power Plant



- We are making every effort to ensure that there are no issues with reviews based on the new regulatory requirements set out by the NRA and aim to finish the construction work promptly to ensure safety.
- We will immediately push forward preparations for the permission to change the reactor installation license after determining the basis seismic ground motions and exert every effort to restart Tomari as soon as possible.

【Response to Reviews Based on the New Regulatory Requirements】

	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	71 times	41 times
	<p>○ We think our explanations about “the western coastal landform of Shakotan Peninsula” and “Iwate-Miyagi inland earthquake” have been almost accepted in the previous review meetings.</p> <p>○ We are reviewing the answer for the comments by the NRA to make summary documents on the basis seismic ground motions, etc. We are aiming for the early determination of the basis seismic ground motions.</p>	The items, excluding plant facilities evaluation, such as seismic motion, tsunami, and volcanic hazard evaluation are under review by the NRA, in conjunction with the review for Unit 3.

【Current Status of Major Construction Works to Secure Safety】

Measures	Facilities	Tomari Unit 3	Tomari Unit 1 & 2
Planned construction works to secure safety at the time of enforcement of New Regulatory Requirements	Facility for preventing core damage, facility for preventing damage to the containment vessel, coastal levee, emergency response center, etc.	Coastal levee is complete. Emergency response building is under use. Loading and equipment installation of other apparatus is almost complete.	
	Facilities for further safety improvement (water tanks, pumps for serious accidents, generators for serious accidents, filtered containment venting system, and emergency control room)	Will be completed in the period between FY2016 and FY2018	
Added and revised major construction works based on the review by the NRA	Duplication of containment spray system	Additional installation of pipe work is almost complete.	—
	Protective facilities for tornados, construction countermeasures against internal fires and internal overflow water, 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.	

○ Review situation on issues for the determination of the basis seismic ground motions

- ① “The western coastal landform of Shakotan Peninsula” : [Review meeting by NRA: May 29, 2015]
- ② “Iwate-Miyagi inland earthquake” : [Review meeting by NRA: October 23, 2015]

[Response to Reviews Based on the New Regulatory Requirements]

Issues	Viewpoint of NRA	Our Viewpoint	Efforts in the Past	Current Situation of Reviews
The western coastal landform of Shakotan Peninsula	Some places in the coastal landform are higher than the intertidal zone. The possibility of seismic uplift 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. The difference in height of the topography is due to the intensity of the erosion resistance to waves depending on the rock type. · It is not due to the seismic uplift. 	<ul style="list-style-type: none"> · We conducted the requisite surveys, analyses and data expansion, etc. throughout almost the entire circumference of the peninsula including the sea area of the western coast of Shakotan Peninsula. · We have made all the efforts, such as surveys, analyses and data expansion, etc. which are necessary in order to refute the seismic uplift. 	<p>< Review meeting on May 29, 2015 ></p> <ul style="list-style-type: none"> · Based on our review of the data from the result of the additional survey around Tomari site, we explained our evaluation again that there was no indication of any activity after the late Pleistocene age on the west coast of Shakotan Peninsula including the site and the site neighborhood. · The NRA commented, “Basic data and interpretation have been almost settled. <u>Required consideration has been made.</u>”
Iwate-Miyagi inland earthquake	Must consider Iwate-Miyagi inland earthquake.	<ul style="list-style-type: none"> · The landform and distribution of geologic structures around Tomari is different from the hypo-central region of the Iwate-Miyagi inland earthquake. Regional differences are apparent. · However, we decided to take the earthquake into account to review seismic ground motions from the viewpoint of further safety improvement. 	<ul style="list-style-type: none"> · We collected and analyzed seismometer records and seismic measurements of ground structure from many other institutions. · We adopted three spots, which are reliable and have a great effect on the ground, out of the collected 18 points as the seismic ground motions. 	<p>< Review meeting on October 23, 2015 ></p> <ul style="list-style-type: none"> · Based on the comment by the NRA that “Hepco should review the adopted seismic ground motions in terms of uncertainty ” made in the review meeting on June 12, we explained that we would raise the three adopted seismic ground motions in order to err on the side of caution. · NRA commented, “<u>Sufficient answers have been made.</u>”

Ensuring the Power Supply System supporting the Development of Hokkaido



○Ensuring the Base for a Stable Power Supply in the Future

In order to ensure a stable power supply in Hokkaido in the future, we are promoting the introduction of new power plants, such as Ishikariwan Shinko Power Plant (our first LNG plant) and expanding the capacity of the Hokkaido Honshu HVDC Link (Kitahon HVDC Link).

○Broader Introduction of Renewable Energy Sources

For further utilization of renewable energy sources, we are for example promoting activities such as verification tests for broader introduction of wind power generation using Kitahon HVDC Link in conjunction with Tokyo Electric Power Company(TEPCO), a Large-scale Storage Battery System Demonstration Project, and utilization of untapped energy in hydroelectric power generation.

Status of Activities

Segments	Contents of Activities	Current Status
Ensuring the Base for Stable Power Supply in the Future	<ul style="list-style-type: none"> ➢ Construction of Ishikariwan Shinko Power Plant (LNG-fuelled thermal power facility) [Total output(Unit 1-3): 1708.2MW(569.4 MW/unit)] 	<ul style="list-style-type: none"> Unit 1) Commencement of construction: August 2015(Commencement of operation scheduled for February 2019)
	<ul style="list-style-type: none"> ➢ Construction of Kyogoku Power Plant (Pure pumped-storage hydroelectric power facility) [Total output(Unit 1-3): 600MW(200 MW/unit)] 	<ul style="list-style-type: none"> Unit 1) Commencement of operation: October 2014 Unit 2) Commencement of operation: November 2015
	<ul style="list-style-type: none"> ➢ Expanding the capacity of Kitahon HVDC Link [Capacity: 300 MW, Voltage: 250 kV, Length: 122 km] 	<ul style="list-style-type: none"> · Commencement of construction: April 2014 · Commencement of operation scheduled for March 2019
Broader Introduction of Renewable Energy Sources	<ul style="list-style-type: none"> ➢ Verification testing for broader introduction of wind power generation [Joint test with TEPCO, Offer: 200 MW] 	<ul style="list-style-type: none"> · Start of verification testing: FY 2017 or later
	<ul style="list-style-type: none"> ➢ Large-scale Storage Battery System Demonstration Project [Redox flow batteries] (rated output: 15 MW, rated capacity: 60 MWh) 	<ul style="list-style-type: none"> · Demonstration period: FY 2014 – FY 2019 (six years) · Scheduled completion of construction: December 2015
	<ul style="list-style-type: none"> ➢ Utilization of untapped energy in hydroelectric power generation (Improvement of existing hydroelectric power plant outputs) 	<ul style="list-style-type: none"> · Shin Iwamatsu Power Plant(Shintoku-cho): 16 MW (Commencement of operation scheduled for January 2016)
	<ul style="list-style-type: none"> ➢ Research and development on biomass power generation using livestock manure. One of NEDO's projects, Research and Development on Output Control 	<ul style="list-style-type: none"> · Research period: FY 2015 – FY 2019

■ Response to Changes in the Management Environment (Electric power system reform)

- All customers will be able to select their electric power supply company freely through the full liberalization of the electricity retail market next April.
- In order to appropriately respond to the Electric Power System Reform, we are pursuing preparations such as our operation system and the development of various systems.
- Responding to this more competitive environment, we are reviewing the measures to ensure our customers continue to select our company, such as:
 - Offering products and services with which our customers are satisfied
 - Creating a new business model and the expansion of our business domains, etc.

□ Measures for Electric Power System Reform

- Concerning full retail liberalization in April 2016, we are now reviewing the operation system we require and proceeding with various system developments.
- Based on the arguments for detailed system design by the government, we will properly respond to the separation of generation and transmission in April 2020.

□ Measures for a Competitive Environment

- Measures to ensure our customers continue to select our company
 - We will diversify our rate menu by utilizing smart meters, etc. which make it possible for us to meet customers' needs flexibly.
 - We will discuss various business models that combine electricity with other goods and services, etc.
[Combined sales through tie-ups with other business and a point-based service, Web services such as those with a membership system, etc.]
- Plans for new business domains
 - We are planning to expand into new business domains, such as the gas supply business and electricity sales to other areas, while also considering alliances with other companies.
- Realization of an economically superior power source structure
 - We can enhance competitiveness through the early restart of Tomari and operation of the Ishikariwan Shinko Power Plant (LNG), etc. in the near future.

Measures for the Changes in the Management Environment (Electric power system reform)



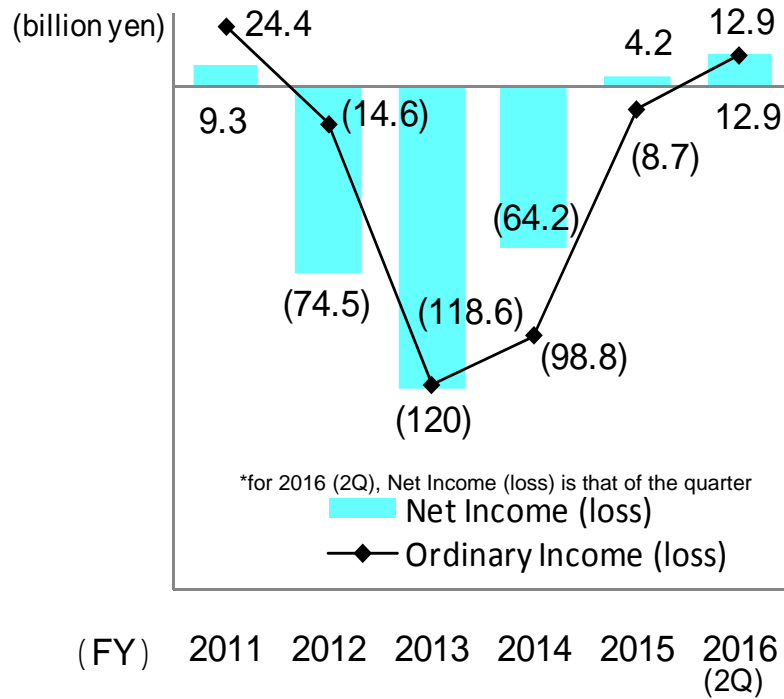
We will realize the early restart of Tomari based on the safety of its units, and we will ensure stable power supply and restore the financial base. Amid the new business environment, our aim is that the "Hepco Group" will win the selection and trust of our customers and develop along with our region.

	~ the second quarter of FY 2016	the third quarter of FY 2016 ~
<p>Measures for Stabilizing Management</p> <p>Restart of Tomari based on the safety of its units</p> <p>Response to review based on regulatory standards · Activities for public understanding</p> <p>Activities for enhancing the safety</p> <p>Proceeding with strengthening managerial efficiency</p>	<p>The basis seismic ground motions</p> <p>Promotion of the restart process</p> <p>Completion of coastal levee Construction work to secure safety</p> <p>Restart</p> <p>Construction for further safety improvement (Continuous activities for enhancing safety)</p> <p>Continuous activities for managerial efficiency</p>	
<p>Measures for Further Development</p> <p>Measures for a competitive environment</p> <p>Measures for the full retail liberalization</p> <p>Growth strategy such as business expansion, etc.</p> <p>Ensuring the base for the future stable supply</p> <p>Development of the new power plants, etc.</p>	<p>Electricity rates reduction (Ensuring of rate competitiveness)</p> <p>Measures to ensure our customers continue to select our company</p> <p>Gas supply business and electricity sales to other areas, etc. (Expansion of the revenue base)</p> <p>Recovery of the ordinary profit</p> <p>Recovery and improvement of financial base</p> <p>Redemption of preferred stocks</p> <p>Basic agreement of the LNG procurement</p> <p>Prework Construction Operation (1 unit: Feb 2019) Ishikariwan Shinko(LNG)</p> <p>Construction Operation (Mar 2019) Kitahon HVDC Link</p> <p>Operation of Kyogoku Unit 1 Operation of Kyogoku Unit 2 Large-scale Storage Battery System Demonstration Project Operation of Shin Iwamatsu</p>	
<p>Human resource development and improving the work environment supporting sustainable business</p>	<p>To maintain and secure the talent and skills supporting our business in the future, we facilitate earlier personnel training and ensure the transfer of skills to junior workers, and promote active female participation.</p>	

Conditions of Profit/Loss and Net Assets

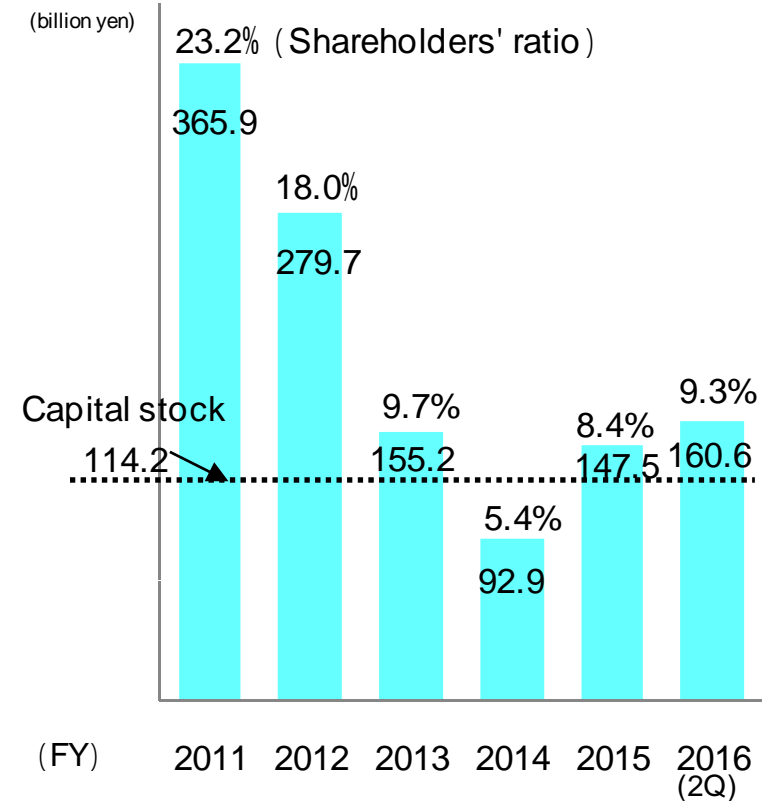
Profit/Loss 【Non-Consolidated】

○Our Profit/Loss in the second quarter of FY 2016 totaled 12.9 billion yen because of the rise in electricity rates and promoting managerial efficiency, etc.



Net Assets 【Non-Consolidated】

○Net assets as of September 30, 2015, totaled 160.6 billion yen.
Shareholders' ratio is 9.3%.



End of FY 2016

- Business performance for the full-year cannot be forecast.



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 financial situation.



■ Financial Results and Forecasts

■ Financial Results for the Six Months Ended September 30, 2015

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 November of 2014 and 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 and decrease in fuel cost adjustments by lower fuel prices, etc.
Expenses	<p>[Increase factors]</p> <ul style="list-style-type: none"> · Increase in repair costs for measures against aging facilities and 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 and decrease in fuel cost by lower fuel prices, etc.

(Billion yen)

	Consolidated				Non-consolidated			
	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Comparison (A) / (B) %	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Comparison (A) / (B) %
Operating Revenue	340.8	319.0	21.7	106.8	328.0	305.6	22.3	107.3
Operating Income	24.3	2.6	21.7	916.6	19.7	2.4	17.2	792.4
Ordinary Income(loss)	17.0	(4.9)	21.9	—	12.9	(4.1)	17.0	—
Net Income	15.9	13.6	2.2	116.8	12.9	14.8	(1.8)	87.4

Note: “Net Income” on the Consolidated Financial Results mentioned above means “Net Income attributable to owners of parent” resulting from adoption of the “Accounting Standard for Business Combinations, etc.” from the 1st quarter of the current fiscal year.

Statement of Operations (Consolidated)



(Billion yen)

		April 1 – Sept. 30, 2015(A)	April 1 – Sept. 30, 2014 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2014 – March 31, 2015
Ordinary Revenues	Operating Revenues	340.8	319.0	21.7	106.8	692.9
	Electricity	327.1	304.7	22.3	107.3	662.2
	Others	13.6	14.3	(0.6)	95.4	30.6
	Non-operating Revenue	1.3	1.6	(0.3)	80.5	4.4
	Subtotal	342.1	320.7	21.4	106.7	697.4
Ordinary Expenses	Operating Expenses	316.4	316.4	0.0	100.0	688.1
	Electricity	304.8	303.6	1.1	100.4	660.9
	Others	11.6	12.7	(1.1)	91.2	27.2
	Non-operating Expenses	8.6	9.1	(0.5)	93.7	18.5
	Subtotal	325.0	325.6	(0.5)	99.8	706.7
[Operating Income]		[24.3]	[2.6]	[21.7]	[916.6]	[4.7]
Ordinary Income (loss)		17.0	(4.9)	21.9	—	(9.3)
Provision or reversal of reserve for fluctuation in water levels		—	(18.9)	18.9	—	(19.3)
Income before income taxes		17.0	14.0	3.0	121.7	10.0
Income taxes		1.1	1.0	0.0	108.3	7.9
Net Income		15.9	12.9	2.9	122.7	2.0
Net Income (loss) attributable to non-controlling interests		0.0	(0.6)	0.6	—	(0.8)
Net Income attributable to owners of parent		15.9	13.6	2.2	116.8	2.9
(Appendix)	Comprehensive Income	14.8	11.0	3.8	135.0	(6.5)

Electricity Sales



Total electricity sales have decreased by 5.0% compared to the same term last year

Non-eligible customers	Decreased 249GWh (decreased by 4.2% compared to the same term last year) [Decrease factors] · Lower heating demand in early spring caused by temperatures higher than those of the previous year and cooperation of customers in reducing their use of electricity, etc.
Eligible customers	Decreased 457 GWh (decreased by 5.7% compared to the same term last year) [Decrease factors] · Decrease in contract electricity demand from commercial customers and falling production in pulp and paper industries in industrial customers, etc.

(GWh)

		April 1 – Sept. 30, 2015(A)	April 1 – Sept. 30, 2014 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2014– March 31, 2015
Non-eligible customers	[Time-of-use(included in "Residential") Residential	[1,080]	[1,103]	[(23)]	[98.0]	[2,728]
	Commercial and Industrial	4,938	5,111	(173)	96.6	11,236
	Subtotal	785	861	(76)	91.2	2,429
		5,723	5,972	(249)	95.8	13,665
Eligible customers	Commercial	3,800	4,022	(222)	94.5	8,130
	Industrial	3,785	4,020	(235)	94.2	8,015
	Subtotal	7,585	8,042	(457)	94.3	16,145
Total		13,308	14,014	(706)	95.0	29,810
Large commercial and industrial customers (included in "Eligible customers")		[2,334]	[2,498]	[(164)]	[93.4]	[4,846]

(°C)

		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
Average temperature in 2015	actual	3.1	7.8	13.1	15.9	20.5	21.5	17.7
	year-on-year	3.4	1.5	0.2	(1.8)	(1.0)	(0.3)	0.3
	deviation	3.1	1.6	1.7	0.2	1.1	0.2	0.3

■ 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; Lower water flow rate compared to the same term last year, 96.2%.
 - Fossil Fuel; Decrease in electricity sales, etc. despite decrease in Purchased power.
 - Nuclear; Shutdown of all units at the Tomari Power Station.
- (Purchased power) Decrease in thermal power output, etc. despite increase in renewable energy, etc.

		April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/Decrease (A)-(B)	Comparison (A)/(B)%	April 1, 2014 – March 31, 2015
Hokkaido Electric Power Co., Inc.	[Water flow rate %] Hydroelectric	[96.2%] 2,109	[98.6%] 2,137	[(2.4%)] (28)	98.7	[97.9%] 3,394
	Fossil Fuel	9,732	9,778	(46)	99.5	22,804
	[Nuclear capacity ratio %] Nuclear	[—] —	[—] —	[—] —	—	[—] —
	Renewable	53	75	(22)	70.8	162
	Subtotal	11,894	11,990	(96)	99.2	26,360
Purchased power		2,672	3,209	(537)	83.3	6,809
Interchanged power		1	5	(4)	20.5	12
Power used for pumped storage		(58)	(40)	(18)	144.4	(47)
Total		14,509	15,164	(655)	95.7	33,134

Statement of Operations (Non-consolidated Revenue)

(Billion yen)

		April 1 – Sept. 30, 2015(A)	April 1 – Sept. 30, 2014(B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Electricity Sales	Residential	133.7	127.2	6.4	<ul style="list-style-type: none"> ▪ Decrease in electricity sales; (13.2) ▪ Decrease in fuel cost adjustments by lower fuel prices; (24.0) ▪ Increase in revenue due to electricity rate raise since November of 2014; 40.4 ▪ Surcharge for renewable energy; 8.6
	Commercial and Industrial	167.3	159.5	7.7	
	Subtotal	301.0	286.8	14.1	
Others		28.6	21.2	7.3	<ul style="list-style-type: none"> ▪ Grant under Act on Purchase of Renewable Energy Sourced Electricity; 6.1
[Operating Revenue]		[328.0]	[305.6]	[22.3]	
Ordinary Revenue		329.6	308.1	21.5	

Statement of Operations (Non-consolidated Expenses and Income)



(Billion yen)

	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Personnel	24.2	19.6	4.6	・ Increase in retirement allowance expenses, etc.
Fuel and Purchased Power	122.1	137.4	(15.3)	・ Decrease in utilization of overseas coal-fired thermal power plants; 8.8
Fuel [included in “Fuel and Purchased Power”]	[73.4]	[86.0]	[(12.6)]	・ Increase in cost of purchase of renewable energy; 6.1
Purchased Power [included in “Fuel and Purchased Power”]	[48.6]	[51.4]	[(2.7)]	・ Decrease in electricity sales; (9.4) ・ Lower fuel prices; (24.4)
Maintenance	34.9	29.6	5.2	・ Increase in measures against aging facilities, etc.
Depreciation	41.3	42.3	(1.0)	
Interest Expenses	8.1	8.3	(0.2)	
Other Expenses	85.9	74.7	11.1	・ Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity; 8.6 ・ Increase in fixed asset tax; 1.6
Total	316.7	312.2	4.4	
[Operating Income]	[19.7]	[2.4]	[17.2]	
Ordinary Income(loss)	12.9	(4.1)	17.0	
Provision or reversal of reserve for fluctuation in water levels	—	(18.9)	18.9	・ Adverse impact of reversal of the entire reserve in April of 2014; 19.3
Income taxes	—	—	—	
Net Income	12.9	14.8	(1.8)	

■ Key Factors Affecting Financial Results (Non-consolidated)

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

(Billion yen)

Factors for improved performance	Factors for weakened performance
<ul style="list-style-type: none"> ▪ Increase in revenue due to electricity rate raise since November of 2014 40.4 ▪ Decrease in fuel costs caused by lower fuel prices 24.4 ▪ Decrease in fuel costs caused by decrease in electricity sales 9.4 <hr/> <p style="text-align: right;">Total 74.2</p>	<ul style="list-style-type: none"> ▪ Decrease in fuel cost adjustments by lower fuel prices 24.0 ▪ Decrease in operating revenue due to decrease in electricity sales 13.2 ▪ Increase in fuel costs due to decrease in utilization of overseas coal-fired thermal power plants 8.8 ▪ Increase in maintenance costs 5.2 <ul style="list-style-type: none"> 〔 · Increase in measures against aging facilities, etc. 〕 ▪ Others 6.0 <ul style="list-style-type: none"> 〔 · Increase in fixed asset tax · Increase in employee retirement benefits: amortization of actuarial gains and losses, etc. 〕 <hr/> <p style="text-align: right;">Total 57.2</p>
Balance: 17.0 billion yen	

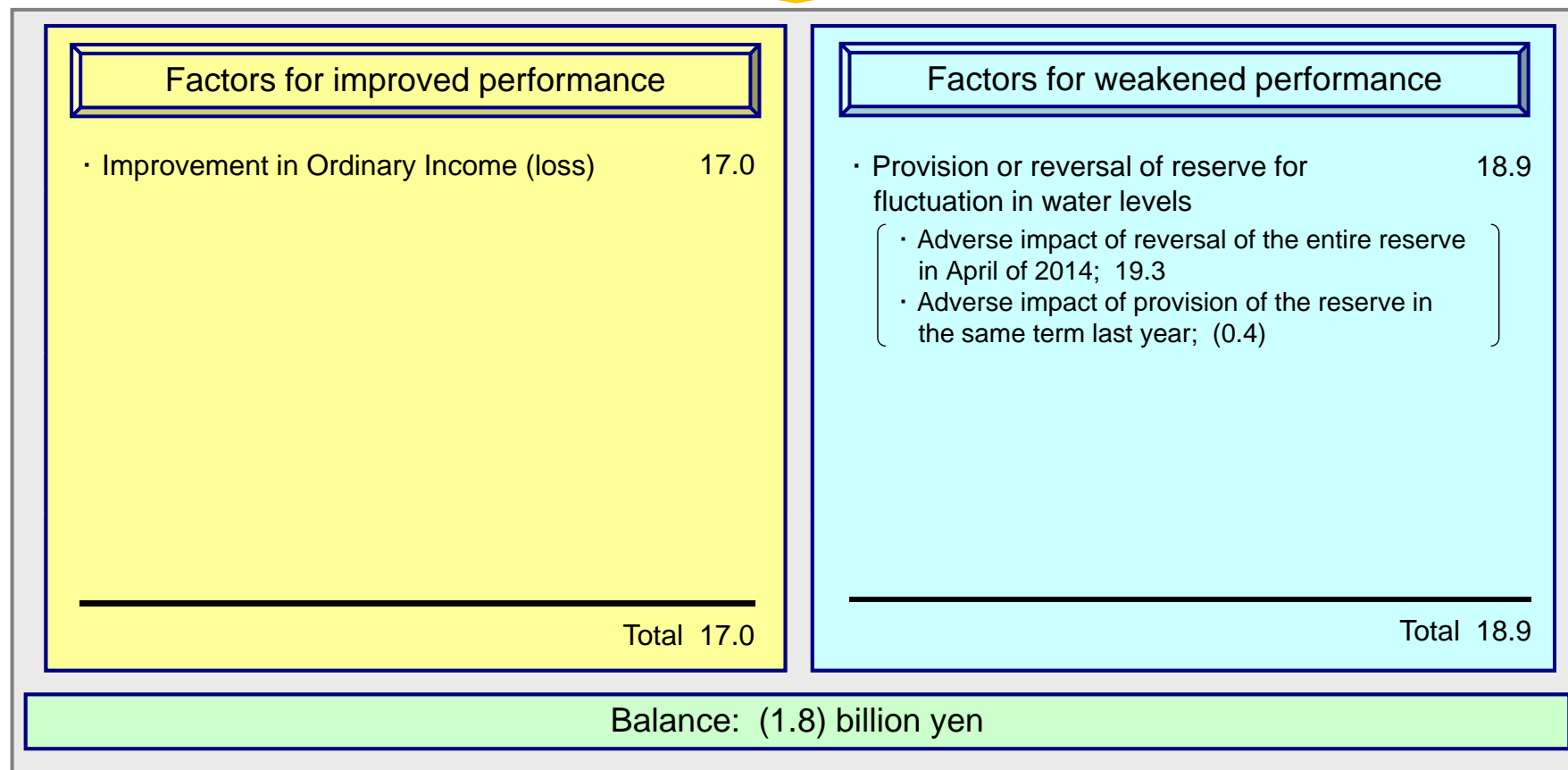
Ordinary Income for the Six-Months Ended September 30, 2015 : 12.9 billion yen

■ Key Factors Affecting Financial Results (Non-consolidated)



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

(Billion yen)



Net Income for the Six-Months Ended September 30, 2015 : 12.9 billion yen

Balance Sheets (Consolidated/Non-consolidated)

(Billion yen)

		As of Sept. 30, 2015 (A)	As of March 31, 2015(B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease (non-consolidated)
Assets	Consolidated	1,792.2	1,815.6	(23.4)	<ul style="list-style-type: none"> Decrease in cash and deposits; (31.9)
	Non-consolidated	1,728.1	1,749.6	(21.4)	
Liabilities	Consolidated	1,589.0	1,627.2	(38.1)	<ul style="list-style-type: none"> Decrease in accounts payable-other; (21.6) Decrease in accounts payable-trade; (5.2)
	Non-consolidated	1,567.4	1,602.1	(34.6)	
Net Assets	Consolidated	192.9	178.0	14.8	<ul style="list-style-type: none"> Posting an interim net income; 12.9
	Non-consolidated	160.6	147.5	13.1	

Note: Consolidated data of Net Assets exclude minority interests.

Shareholders' Equity Ratio (%)	Consolidated	10.8	9.8	1.0
	Non-consolidated	9.3	8.4	0.9
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	1,294.6	1,298.1	(3.4)
	Non-consolidated	1,295.5	1,296.0	(0.5)

Consolidated Cash Flows

	April 1 – Sept. 30, 2015(A)	April 1 – Sept.30, 2014(B)	Increase/Decrease (A)-(B)	(Billion yen) April 1, 2014 – March 31, 2015
Operating Activities	36.2	24.0	12.1	94.3
Income before income taxes [included in “Operating Activities”]	[17.0]	[14.0]	[3.0]	[10.0]
Depreciation and amortization [included in “Operating Activities”]	[44.2]	[45.3]	[(1.0)]	[93.9]
Increase (decrease) in reserve for fluctuation in water levels [included in “Operating Activities”]	[—]	[(18.9)]	[18.9]	[(19.3)]
Increase (decrease) in notes and accounts receivable-trade [included in “Operating Activities”]	[(5.5)]	[(0.4)]	[(5.0)]	[(5.0)]
Investing Activities	(71.2)	(58.3)	(12.9)	(114.1)
Purchase of property, plant and equipment [included in “Investing Activities”]	[(72.9)]	[(62.7)]	[(10.2)]	[(121.3)]
Collection of investment and loans receivable [included in “Investing Activities”]	[0.7]	[3.7]	[(3.0)]	[6.0]
Net CF	(35.0)	(34.2)	(0.7)	(19.8)
Financing Activities	(3.9)	60.8	(64.8)	50.7
Increase (decrease) in Interest-bearing Debts [included in “Financing Activities”]	[(3.4)]	[11.5]	[(15.0)]	[1.9]
Proceeds from issuance of new shares [included in “Financing Activities”]	[—]	[49.7]	[(49.7)]	[49.7]
Net increase (decrease) in Cash & Cash Equivalents	(38.9)	26.6	(65.5)	30.9



- Forecasts of Financial Results
for the Year Ending March 31, 2016

Forecasts of Financial Results for the Year Ending March 31, 2016 (Consolidated/Non-consolidated)



Electricity sales, Operating revenue

(Billion yen, TWh)

		April 1, 2015– March 31, 2016 Forecasts			April 1, 2014 – March 31, 2015 (C)	Increase/ Decrease from last fiscal year (A)-(C)
		Revised forecasts (A)	Forecasts announced in July, 2015 (B)	Increase/ Decrease (A)-(B)		
Operating revenue	Consolidated	Approx. 732.0	Approx. 756.0	Approx. (24.0)	692.9	Approx. 39.0
	Non-consolidated	Approx. 703.0	Approx. 728.0	Approx. (25.0)	663.9	Approx. 39.0
[Comparison to last fiscal year] Electricity sales		[Approx. (2.9%)] Approx. 28.9	Approx. 30.1	Approx. (1.2)	29.8	Approx. (0.9)

Key Factors

Foreign Exchange Rate (yen/\$)	Approx. 121	Approx. 120	Approx. 1	110	Approx. 11
CIF Crude Oil Price (\$/barrel)	Approx. 57	Approx. 60	Approx. (3)	90.4	Approx. (33.4)

Note: We assume the foreign exchange rate and CIF crude oil price in the second half of this fiscal year will be 120 yen/\$ and 55 \$/barrel in this forecast.

Operating Income (loss), Ordinary Income (loss), Net Income (loss)

- The forecasts for consolidated and non-consolidated results of Operating Income (loss), Ordinary Income (loss), and Net Income (loss) are yet to be determined at this point. This is because unplanned suspensions and so forth have sometimes occurred at thermal power plants which operate at a high utilization rate, and thus, we must monitor the operational situation from now on, and may have to take measures depending on the situation in terms of power supply and cost.

§ These forecasts will be promptly released as soon as they are determined.

Dividends

- The forecasts of cash dividends for the full year ending March 31, 2016, have yet to be determined as regards common stock as well as preferred stock as we cannot forecast the financial results for this fiscal year at this point.

■ Appendix

[Financial Results]

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Financial Results - Electricity Sales



(GWh)

	April 1, 2015 – March 31, 2016 (A)	April 1, 2014 – March 31, 2015 (B)	Comparison to the results of the previous year	
			Increase / Decrease (A) - (B)	Rate of change (A) / (B)
April	2,499	2,689	(190)	92.9
May	2,278	2,395	(117)	95.1
June	1,988	2,104	(116)	94.5
1Q	6,765	7,188	(423)	94.1
July	2,092	2,178	(86)	96.0
August	2,271	2,371	(100)	95.8
September	2,180	2,277	(97)	95.7
2Q	6,543	6,826	(283)	95.8
1 st half	13,308	14,014	(706)	95.0
Total	Approx. 28.9 TWh	29,810	Approx. (0.9) TWh	97.1

Note: Total of April 1, 2015 – March 31, 2016 is the forecast at the end of the 2nd quarter of FY 2016.

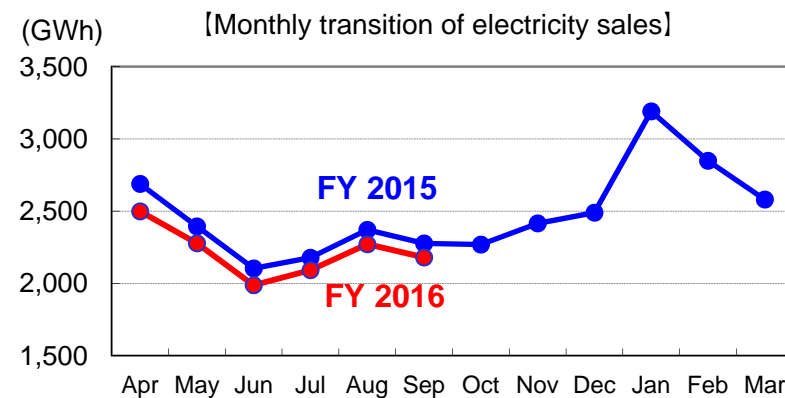
Electricity sales for the six months ended September 30, 2015.

[Non-eligible customers]

Electricity sales have decreased by 4.2% compared to the same term last year due to the lower heating demand in early spring caused by temperatures higher than those of the previous year and the cooperation of customers in reducing their use of electricity, etc.

[Eligible customers]

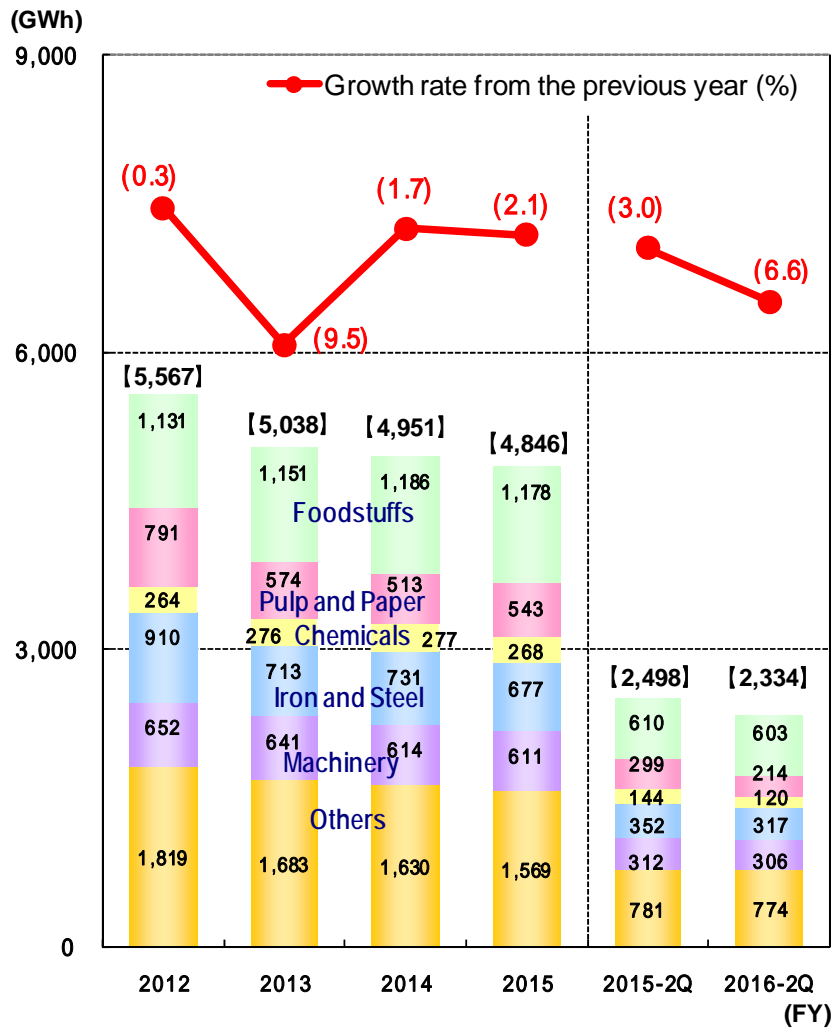
Electricity sales have decreased by 5.7% compared to the same term last year due to the decrease in contract electricity demand from commercial customers and falling production in pulp and paper industries in industrial customers, etc.



Financial Results - Large Industrial Electricity Sales



Large Industrial Electricity Sales



Details of FY 2016 (April 2015 - September 2015)

Composition of large industrial electricity sales by sector and growth rate from the previous year

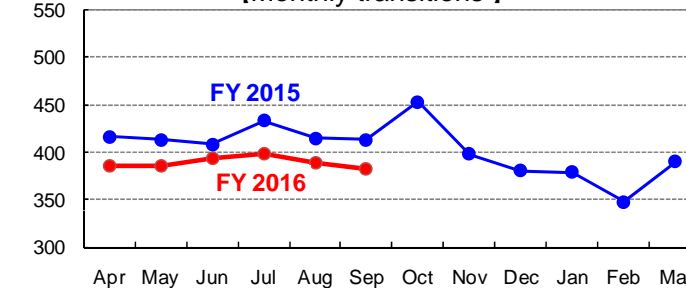
- Electricity sales have decreased compared to the same term last year due to falling production in pulp and paper industries, etc.

	Growth rate from the previous year (%)	Composition (%)	(Reference) Nationwide composition (%)
Foodstuffs	(1.2)	25.8	6.8
Pulp and Paper	(28.5)	9.2	3.1
Chemicals	(16.8)	5.1	9.9
Iron and Steel	(10.0)	13.6	13.9
Machinery	(1.7)	13.1	26.0
Others	(0.9)	33.2	40.3
Total	(6.6)	100.0	100.0

[Monthly transitions] Growth rate from the same term of the previous year

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Growth rate	2.0	(8.3)	1.8	3.5	(0.5)	(4.4)	(7.2)	(6.7)	(3.4)	(8.0)	(6.5)	(7.5)
Breakdown by major industries (recent 6 months)	Foodstuffs						1.0	(2.4)	(1.4)	(1.5)	(1.1)	(1.6)
	Pulp and paper						(29.0)	(30.8)	(23.2)	(23.5)	(31.6)	(32.5)
	Chemicals						(12.3)	(16.0)	(9.5)	(15.9)	(18.8)	(28.8)
	Iron and steel						(7.7)	10.8	1.0	(22.4)	(24.3)	(15.8)
	Machinery						2.2	(6.1)	(0.2)	(3.2)	(1.1)	(1.2)

[Monthly transitions]



Financial Results - Expense breakdown (Non-consolidated)

Personnel

(Billion yen)

	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/Decrease (A)-(B)	Major factors for increase/decrease
Personnel	24.2	19.6	4.6	· Increase in retirement allowance expenses, etc.

[Amortization of actuarial gains and losses]

*Actuarial 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, 2015 – March 31, 2016		
			Amortization	Unamortized Balance	Ending FY [remaining year]
2010	(6.7)	(1.3)	—	—	—
2011	(1.8)	(0.4)	(0.4)	—	—
2012	(2.1)	(0.4)	(0.4)	(0.4)	2017 [1 year]
2013	(8.9)	(1.8)	(1.8)	(3.5)	2018 [2 years]
2014	(12.8)	(2.6)	(2.6)	(7.7)	2019 [3 years]
2015	6.9	—	1.4	5.5	2020 [4 years]
Total		(6.4)	(3.7)	(6.1)	

Financial Results - Expense breakdown (Non-consolidated)

Fuel and Purchased Power

(Billion yen)

		April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Fuel and Purchased Power		122.1	137.4	(15.3)	<ul style="list-style-type: none"> Decrease in utilization of overseas coal-fired thermal power plants; 8.8 Increase in cost of purchase of renewable energy; 6.1 Decrease in electricity sales; (9.4) Lower fuel prices; (24.4)
Break down	Fuel	73.4	86.0	(12.6)	
	Purchased Power	48.6	51.4	(2.7)	

Key Factors

	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	122	103	19
CIF Crude Oil Price (\$/barrel)	58.9	109.5	(50.6)
CIF Coal Price (\$/t)	79.5	97.2	(17.7)

Financial Results - Expense breakdown (Non-consolidated)

Maintenance

(Billion yen)

		April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Maintenance		34.9	29.6	5.2	<ul style="list-style-type: none"> · Increase in measures against aging facilities, etc.
Break down	Generation	19.0	16.0	3.0	
	Power- distribution	15.2	13.1	2.1	
	Others	0.6	0.5	0.1	

Depreciation

(Billion yen)

		April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Depreciation		41.3	42.3	(1.0)	<ul style="list-style-type: none"> · Fixed percentage effect; (4.9) · Tomari Nuclear Power Station Unit 3; (1.4) (included in "Fixed percentage effect") · New acquisition of property, etc.; 3.9 · Kyogoku Power Station Unit 1; 1.9 (included in "New acquisition of property")
Break down	Generation	24.0	24.4	(0.3)	
	Power- distribution	14.7	15.3	(0.5)	
	Others	2.4	2.5	(0.0)	

Financial Results - Expense breakdown (Non-consolidated)

Interest Expenses

(Billion yen)

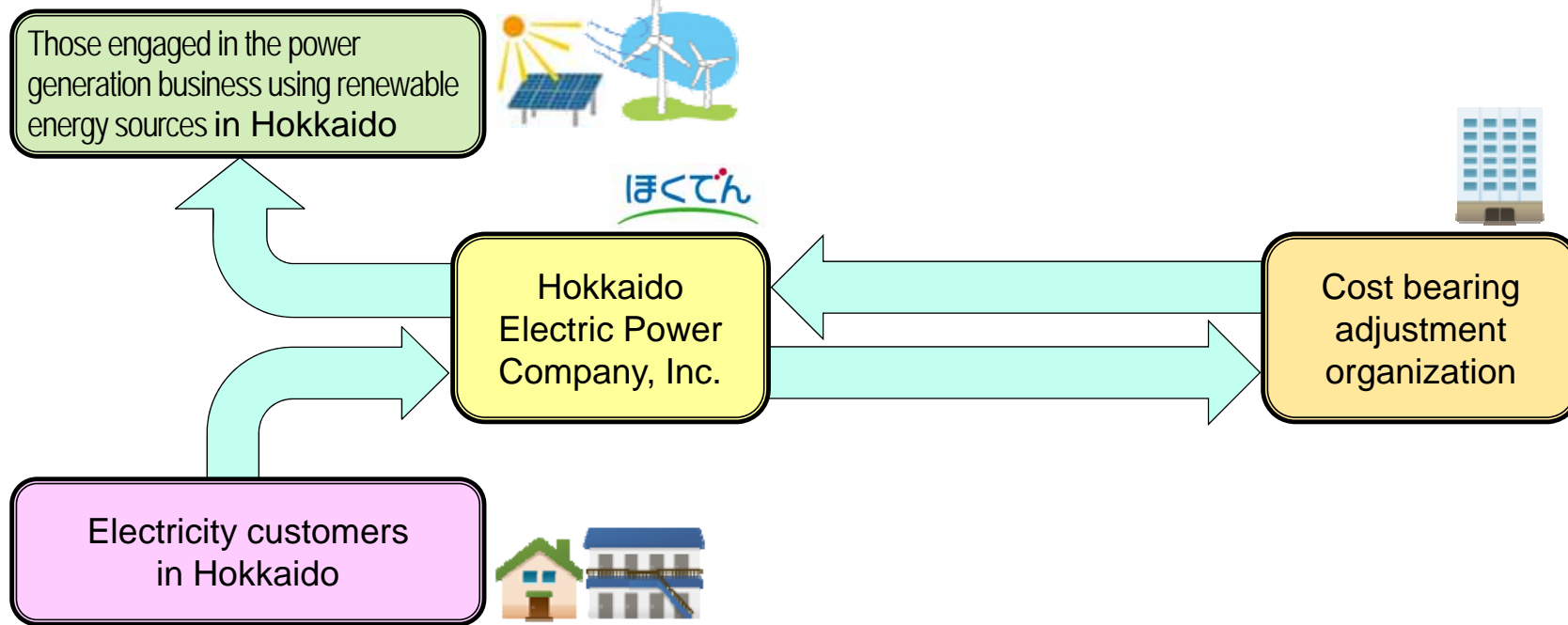
	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
[Interest(on average)%] Interest Expenses	[1.25] 8.1	[1.29] 8.3	[(0.04)] (0.2)	

Other Expenses

(Billion yen)

	April 1 – Sept. 30, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Other Expenses	85.9	74.7	11.1	<ul style="list-style-type: none"> · Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity; 8.6 · Increase in fixed asset tax; 1.6

Financial Results - Effect of the feed-in-tariff scheme for renewable energy



Effect of the feed-in-tariff scheme for renewable energy [Details of the 1st half of FY 2016]

(Billion yen)

Surcharge for renewable energy	17.2	Levy under Act on Purchase of Renewable Energy Sourced Electricity	17.2
Collection of surcharge together with the electricity charge		Submission of the collected surcharge	
Grant under Act on Purchase of Renewable Energy Sourced Electricity	20.1	Cost of Purchased power	26.8
Deliver of purchase cost excluding saved fuel cost, etc. made by purchasing electricity from renewable energy sources.		Purchase of electricity at a fixed price for a government guaranteed period	

Financial Results - Segment Information

(Billion yen)

		Reportable segment	Other	Total	Adjustments	Consolidated total
		Electric				
Operating Revenue	April 1 – Sept. 30, 2015 (A)	327.8	52.7	380.5	(39.6)	340.8
	April 1 – Sept. 30, 2014(B)	305.4	50.4	355.9	(36.8)	319.0
	Increase/Decrease (A)-(B)	22.3	2.2	24.6	(2.8)	21.7
Operating Income (loss)	April 1 – Sept. 30, 2015 (A)	21.6	2.1	23.8	0.5	24.3
	April 1 – Sept. 30, 2014 (B)	2.4	(0.3)	2.1	0.5	2.6
	Increase/Decrease (A)-(B)	19.1	2.5	21.7	(0.0)	21.7

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, 2015 (A)	April 1 – Sept. 30, 2014 (B)	Increase/ Decrease (A)-(B)
Net Income	15.9	12.9	2.9
Other Comprehensive Income	(1.0)	(1.9)	0.9
Net unrealized holding gain (loss) on available-for-sale securities [included in “Other Comprehensive Income”]	[0.2]	[0.3]	[(0.0)]
Remeasurements of defined benefit plans [included in “Other Comprehensive Income”]	[(1.2)]	[(2.2)]	[1.0]
Comprehensive Income	14.8	11.0	3.8
Comprehensive income attributable to owners of parent [included in “Comprehensive Income”]	[14.9]	[11.6]	[3.2]
Comprehensive income attributable to non-controlling interests [included in “Comprehensive Income”]	[(0.0)]	[(0.6)]	[0.6]

This material is compiled based on data available as of November 11, 2015. 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.

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