

**Financial Release for the Six Months Ended September 30, 2012**  
**[Japanese Standards] (Consolidated)**

October 31, 2012

**Hokkaido Electric Power Co., Inc.**

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

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

Representative: Katsuhiko KAWAI, President and Director

For inquiry: Hidehiro HAYASHI, Manager, Accounting & Finance Dept.

Telephone: +81-11-251-1111

The prearranged date of quarterly financial statement report publication: November 6, 2012

Commencement of payment of interim dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly 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 Six Months (April 1, 2012 – September 30, 2012)**

**(1) Consolidated Business Results**

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2012–September 30, 2012	277,011	(8.7)	(40,944)	-	(49,400)	-	(48,631)	-
April 1, 2011–September 30, 2011	303,273	12.9	18,609	(15.5)	12,141	(22.1)	5,046	42.7

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

Reference: Comprehensive income: April 1, 2012 – September 30, 2012 (50,174) million yen [- %]

April 1, 2011 – September 30, 2011 3,109 million yen [29.9 %]

	Net Income per Share (primary)	Net Income per Share (fully diluted)
	Yen	Yen
April 1, 2012–September 30, 2012	(236.56)	-
April 1, 2011–September 30, 2011	24.55	-

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
As of September 30, 2012	1,652,386	271,836	15.8
As of March 31, 2012	1,618,850	327,280	19.5

Reference: Shareholders' Equity: As of September 30, 2012 260,967 million yen As of March 31, 2012 316,274 million yen

**II. Dividends**

**Cash dividend**

	Cash dividends per share				
	June 30	September 30	December 31	Year-ended	Annual total
	Yen	Yen	Yen	Yen	Yen
April 1, 2011 – March 31, 2012	-	25.00	-	25.00	50.00
April 1, 2012 – March 31, 2013	-	0.00			
April 1, 2012 – March 31, 2013 (Forecast)			-	-	-

Note: Changes of the forecast of the cash dividends per share from the latest release: None

The forecasts of cash dividends for the year ending March 31, 2013 have yet to be determined.

**III. Forecasts of Consolidated Results for the Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)**

The forecasts of consolidated results of operating revenue, operating income, ordinary income and net income, for the year ending March 31, 2013, that are unable to be assessed appropriately, have yet to be determined at this point. These forecasts will be promptly released as soon as they are determined.

**(Notes)**

- (1) Changes among major consolidated subsidiaries in this period: None
- (2) Application of special accounting methods in preparation of quarterly financial statements: Yes
- (3) Changes in accounting policies; changes in accounting estimates; restatements
- a. Changes of accounting policies due to amendment of accounting standards: Yes
  - b. Other changes in accounting policies: None
  - c. Changes in accounting estimates: Yes
  - d. Restatements: None
- (4) Outstanding shares (Common stock)
- a. Number of outstanding shares (Treasury stock included):  
As of September 30, 2012: 215,291,912                      As of March 31, 2012: 215,291,912
  - b. Number of treasury stock:  
As of September 30, 2012: 9,713,869                      As of March 31, 2012: 9,710,858
  - c. Average number of shares over period:  
April 1, 2012 - September 30, 2012: 205,579,238      April 1, 2011 – September 30, 2011: 205,585,159

**(Reference)**

***Forecasts of Non-consolidated Results for the Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)***

The forecasts of non-consolidated results of operating revenue, operating income, ordinary income and net income, for the year ending March 31, 2013, that are unable to be assessed appropriately, have yet to be determined at this point. These forecasts will be promptly released as soon as they are determined.

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

1. Sales

**Electricity Sales**

(GWh)

	April 1, 2012– September 30, 2012 (A)	April 1, 2011– September 30, 2011 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2011 – March 31, 2012
Non-eligible customers					
Residential	5,338	5,407	(69)	98.7	12,078
Commercial and industrial	892	887	5	100.5	2,651
Subtotal	6,230	6,294	(64)	99.0	14,729
Eligible customers	8,371	8,571	(200)	97.7	17,416
Total	14,601	14,865	(264)	98.2	32,145

2. Production

**Power Supply**

(GWh)

	April 1, 2012 – September 30, 2012 (A)	April 1, 2011 – September 30, 2011 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2011– March 31, 2012
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[90.2]	[117.4]	[(27.2)]		[111.6]
Hydroelectric	1,941	2,532	(591)	76.6	3,773
Fossil fuel	10,679	7,675	3,004	139.2	20,564
[Nuclear capacity ratio %]	[8.6]	[71.7]	[(63.1)]		[58.6]
Nuclear	784	6,514	(5,730)	12.0	10,663
Renewable	40	30	10	128.4	83
Subtotal	13,444	16,751	(3,307)	80.3	35,083
Purchased power	2,595	2,234	361	116.2	4,865
Interchange power	(13)	(2,304)	2,291	0.5	(3,429)
Power used for pumped storage	(10)	(39)	29	27.7	(46)
Total	16,016	16,642	(626)	96.2	36,473

**Consolidated Balance Sheets**

(Million yen)

Item	As of March 31, 2012 (A)	As of September 30, 2012 (B)
<b>Assets</b>		
Noncurrent assets	1,483,229	1,478,707
Electric utility plant and equipment	1,057,514	1,035,918
Hydroelectric power production facilities	109,918	110,965
Thermal power production facilities	95,876	90,245
Nuclear power production facilities	280,826	267,852
Transmission facilities	179,846	178,389
Transformation facilities	80,796	79,227
Distribution facilities	269,319	268,494
General facilities	37,148	36,380
Other electric utility plant and equipment	3,780	4,363
Other noncurrent assets	46,539	45,878
Construction in progress	143,692	153,255
Construction in progress	143,540	152,638
Retirement in progress	151	617
Nuclear fuel	95,517	109,091
Loaded nuclear fuel	18,648	18,391
Nuclear fuel in processing	76,869	90,700
Investments and other assets	139,966	134,561
Long-term investments	50,784	48,531
Deferred tax assets	6,636	6,500
Other	82,656	79,640
Allowance for doubtful accounts	(111)	(110)
Current assets	135,621	173,679
Cash and deposits	53,593	76,868
Notes and accounts receivable-trade	37,821	34,936
Inventories	36,013	44,631
Deferred tax assets	1,165	2,069
Other	7,714	15,845
Allowance for doubtful accounts	(686)	(672)
<b>Total</b>	<b>1,618,850</b>	<b>1,652,386</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Noncurrent liabilities	1,043,372	1,128,074
Bonds payable	529,124	509,125
Long-term loans payable	299,621	409,235
Provision for retirement benefits	50,660	48,072
Provision for reprocessing of irradiated nuclear fuel	70,875	68,261
Provision for preparation of the reprocessing of irradiated nuclear fuel	7,827	8,068
Asset retirement obligations	79,439	80,353
Deferred tax liabilities	547	24
Other	5,274	4,933
Current liabilities	232,840	237,775
Current portion of noncurrent liabilities	74,293	93,325
Short-term loans payable	48,700	48,000
Notes and accounts payable-trade	39,260	32,670
Accrued taxes	10,543	13,228
Provision for loss on liquidation of subsidiaries and affiliates	1,863	718
Deferred tax liabilities	23	6
Other	58,155	49,825
Reserves under the special laws	15,357	14,699
Reserve for fluctuation in water levels	15,357	14,699
<b>Total Liabilities</b>	<b>1,291,570</b>	<b>1,380,549</b>
<b>Net assets</b>		
Shareholders' equity	314,932	261,158
Capital stock	114,291	114,291
Capital surplus	21,174	21,174
Retained earnings	197,609	143,834
Treasury stock	(18,142)	(18,142)
Valuation and translation adjustments	1,342	(191)
Valuation difference on available-for-sale securities	1,342	(191)
Minority interests	11,005	10,868
<b>Total Net Assets</b>	<b>327,280</b>	<b>271,836</b>
<b>Total</b>	<b>1,618,850</b>	<b>1,652,386</b>

**Consolidated Statements of Income**

(Million yen)

Item	April 1, 2011– September 30, 2011	April 1, 2012– September 30, 2012
<b>Operating Revenue</b>	303,273	277,011
Electric utility operating revenue	293,936	267,516
Other business operating revenue	9,337	9,494
<b>Operating Expenses</b>	284,664	317,955
Electric utility operating expenses	276,553	309,816
Other business operating expenses	8,110	8,138
<b>Operating Income (loss)</b>	18,609	(40,944)
<b>Non-operating Income</b>	1,902	1,716
Dividends income	212	286
Interest income	534	540
Equity in earnings of affiliates	222	371
Other	934	518
<b>Non-operating Expenses</b>	8,370	10,172
Interest expenses	7,034	7,229
Other	1,335	2,943
Total ordinary revenue	305,176	278,727
Total ordinary expenses	293,034	328,128
<b>Ordinary Income (loss)</b>	12,141	(49,400)
Provision or reversal of reserve for fluctuation in water levels	4,138	(657)
Provision of reserve for fluctuation in water levels	4,138	-
Reversal of reserve for fluctuation in water levels	-	(657)
Income (loss) before income taxes	8,003	(48,742)
Income taxes-current	2,943	(86)
Income taxes-deferred	(12)	(14)
Total income taxes	2,931	(100)
Income (loss) before minority interests	5,072	(48,641)
Minority interests in income (loss)	25	(9)
<b>Net Income (loss)</b>	5,046	(48,631)

**Consolidated Statements of Comprehensive Income**

(Million yen)

Item	April 1, 2011– September 30, 2011	April 1, 2012– September 30, 2012
<b>Income (loss) before Minority Interests</b>	5,072	(48,641)
<b>Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	(1,961)	(1,532)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(1,962)	(1,532)
<b>Comprehensive Income</b>	3,109	(50,174)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,074	(50,165)
Comprehensive income attributable to minority interests	34	(9)

**Consolidated Statements of Cash Flows**

(Million yen)

Account	April 1, 2011 – September 30, 2011	April 1, 2012 – September 30, 2012
<b>Net Cash Provided by (Used in) Operating Activities</b>		
Income (loss) before income taxes	8,003	(48,742)
Depreciation and amortization	51,002	46,526
Amortization of nuclear fuel	3,280	257
Increase (decrease) in provision for retirement benefits	(4,302)	(2,588)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(219)	(2,614)
Increase (decrease) in reserve for fluctuation in water levels	4,138	(657)
Interest and dividends income	(746)	(826)
Interest expenses	7,034	7,229
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	2,306	3,309
Decrease (increase) in notes and accounts receivable-trade	1,115	2,954
Decrease (increase) in inventories	(5,812)	(8,618)
Increase (decrease) in notes and accounts payable-trade	(544)	(6,675)
Other, net	3,778	(5,328)
Subtotal	69,034	(15,776)
Interest and dividends income received	732	859
Interest expenses paid	(6,972)	(7,180)
Income taxes paid	(983)	(1,287)
Net cash provided by (used in) operating activities	61,811	(23,385)
<b>Net Cash Provided by (used in) Investment Activities</b>		
Purchase of noncurrent assets	(48,232)	(55,428)
Payments of investment and loans receivable	(5,855)	(17,985)
Collection of investment and loans receivable	5,985	16,619
Other, net	188	31
Net cash provided by (used in) investment activities	(47,913)	(56,762)
<b>Net Cash Provided by (used in) Financing Activities</b>		
Redemption of bonds	(34,674)	-
Proceeds from long-term loans payable	36,200	115,000
Repayment of long-term loans payable	(6,255)	(6,352)
Increase in short-term loans payable	97,832	121,373
Decrease in short-term loans payable	(96,013)	(121,196)
Proceeds from issuance of commercial papers	125,000	79,000
Redemption of commercial papers	(115,000)	(79,000)
Cash dividends paid	(5,132)	(5,136)
Other, net	(256)	(264)
Net cash provided by (used in) financing activities	1,700	103,422
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>15,598</b>	<b>23,274</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>20,956</b>	<b>53,593</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>36,554</b>	<b>76,868</b>

**Business Segment Information**
**Six Months Ended September 30, 2011 (April 1, 2011 – September 30, 2011)**

(Million yen)

	Reportable segment	Other	Total	Adjustments	F/S Value
	Electric utility				
Sales to customers	293,936	9,337	303,273	-	303,273
Intersegment sales	504	32,439	32,943	(32,943)	-
Total operating revenue	294,440	41,776	336,217	(32,943)	303,273
Operating income (loss)	17,253	1,158	18,411	197	18,609

**Six Months Ended September 30, 2012 (April 1, 2012 – September 30, 2012)**

(Million yen)

	Reportable segment	Other	Total	Adjustments	F/S Value
	Electric utility				
Sales to customers	267,516	9,494	277,011	-	277,011
Intersegment sales	511	27,451	27,963	(27,963)	-
Total operating revenue	268,028	36,946	304,974	(27,963)	277,011
Operating income (loss)	(41,694)	331	(41,362)	418	(40,944)

**Note:** The information shown above is an English translation of the "Financial Release for the Six Months Ended September 30, 2012" which was filed with stock exchanges (Tokyo, Osaka, 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.