

# Financial Release for the Six Months Ended September 30, 2013

[Japanese Standards] (Consolidated)

October 30, 2013

## Hokkaido Electric Power Co., Inc.

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

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

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The prearranged date of quarterly financial statement report publication: November 6, 2013

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, 2013 – September 30, 2013)

#### (1) Consolidated Business Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2013–September 30, 2013	290,041	4.7	(30,450)	-	(37,639)	-	(193)	-
April 1, 2012–September 30, 2012	277,011	(8.7)	(40,944)	-	(49,400)	-	(48,631)	-

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

Reference: Comprehensive income: April 1, 2013 – September 30, 2013 (1,634) million yen [- %]

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

	Net Income per Share (primary)	Net Income per Share (fully diluted)
	Yen	Yen
April 1, 2013–September 30, 2013	(0.94)	-
April 1, 2012–September 30, 2012	(236.56)	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
As of September 30, 2013	1,735,160	199,279	10.8
As of March 31, 2013	1,660,740	190,403	10.8

Reference: Shareholders' Equity: As of September 30, 2013 187,999 million yen As of March 31, 2013 179,090 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, 2012 – March 31, 2013	-	0.00	-	0.00	0.00
April 1, 2013 – March 31, 2014	-	0.00			
April 1, 2013 – March 31, 2014 (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, 2014 have yet to be determined.

### III. Forecasts of Consolidated Results for the Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2013 – March 31, 2014	639,000	9.6	-	-	-	-	-	-	-

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of consolidated results in this period: Yes

The forecasts of consolidated results of operating income, ordinary income and net income for the year ending March 31, 2014 have still yet to be determined at this point, since the fuel costs are yet to be predicted, as the schedule of restart of the Tomari Nuclear Power Plant remains unpredictable. 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: None
  - b. Other changes in accounting policies: Yes
  - c. Changes in accounting estimates: None
  - d. Restatements: None
- (4) Outstanding shares (Common stock)
- a. Number of outstanding shares (Treasury stock included):  
As of September 30, 2013: 215,291,912                      As of March 31, 2013: 215,291,912
  - b. Number of treasury stock:  
As of September 30, 2013: 9,723,408                      As of March 31, 2013: 9,717,489
  - c. Average number of shares over period:  
April 1, 2013 - September 30, 2013: 205,571,219                      April 1, 2012 – September 30, 2012: 205,579,238

**(Reference)**

**Forecasts of Non-consolidated Results for the Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)**

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2013 – March 31, 2014	614,000	9.8	-	-	-	-	-	-	-

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of consolidated results in this period: Yes

The forecasts of non-consolidated results of operating income, ordinary income and net income for the year ending March 31, 2014 have still yet to be determined at this point, since the fuel costs are yet to be predicted, as the schedule of restart of the Tomari Nuclear Power Plant remains unpredictable. 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, 2013– September 30, 2013 (A)	April 1, 2012– September 30, 2012 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2012 – March 31, 2013
Non-eligible customers					
Residential	5,302	5,338	(36)	99.3	11,818
Commercial and industrial	914	892	22	102.5	2,696
Subtotal	6,216	6,230	(14)	99.8	14,514
Eligible customers	8,207	8,371	(164)	98.0	16,670
Total	14,423	14,601	(178)	98.8	31,184

2. Production

**Power Supply**

(GWh)

	April 1, 2013 – September 30, 2013 (A)	April 1, 2012 – September 30, 2012 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2012– March 31, 2013
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[106.9]	[90.2]	[16.7]		[99.8]
Hydroelectric	2,294	1,941	353	118.2	3,422
Fossil fuel	10,202	10,679	(477)	95.5	24,349
[Nuclear capacity ratio %]	[ - ]	[8.6]	[(8.6)]		[4.3]
Nuclear	-	784	(784)	-	784
Renewable	47	40	7	120.9	130
Subtotal	12,543	13,444	(901)	93.3	28,685
Purchased power	3,104	2,595	509	119.6	6,283
Interchange power	(1)	(13)	12	6.7	(8)
Power used for pumped storage	(11)	(10)	(1)	108.0	(22)
Total	15,635	16,016	(381)	97.6	34,938

**Consolidated Balance Sheets**

(Million yen)

Item	As of March 31, 2013 (A)	As of September 30, 2013 (B)
<b>Assets</b>		
Noncurrent assets	1,480,925	1,520,546
Electric utility plant and equipment	1,040,508	1,018,709
Hydroelectric power production facilities	109,283	107,010
Thermal power production facilities	92,712	91,422
Nuclear power production facilities	257,075	246,566
Transmission facilities	178,361	174,677
Transformation facilities	80,506	78,280
Distribution facilities	271,852	270,389
General facilities	42,259	43,512
Other electric utility plant and equipment	8,456	6,849
Other noncurrent assets	53,522	57,433
Construction in progress	153,255	172,776
Construction in progress	153,073	172,564
Retirement in progress	181	212
Nuclear fuel	111,625	121,817
Loaded nuclear fuel	7,891	-
Nuclear fuel in processing	103,733	121,817
Investments and other assets	122,014	149,809
Long-term investments	47,264	49,517
Net defined benefit asset	-	92
Deferred tax assets	7,408	36,248
Other	67,443	64,060
Allowance for doubtful accounts	(102)	(110)
Current assets	179,814	214,613
Cash and deposits	77,357	103,372
Notes and accounts receivable-trade	43,378	44,043
Inventories	45,063	48,526
Deferred tax assets	1,739	9,870
Other	12,850	9,419
Allowance for doubtful accounts	(574)	(618)
<b>Total</b>	<b>1,660,740</b>	<b>1,735,160</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Noncurrent liabilities	1,184,361	1,285,850
Bonds payable	524,127	604,128
Long-term loans payable	448,673	472,431
Provision for retirement benefits	46,706	-
Provision for reprocessing of irradiated nuclear fuel	65,874	63,267
Provision for reprocessing of irradiated nuclear fuel without specific plans	8,183	8,347
Net defined benefit liability	-	36,573
Asset retirement obligations	82,407	83,354
Deferred tax liabilities	897	-
Other	7,490	17,747
Current liabilities	269,204	230,639
Current portion of long-term debt	109,292	91,312
Short-term loans payable	53,020	48,110
Notes and accounts payable-trade	44,496	35,281
Accrued taxes	8,466	11,756
Deferred tax liabilities	69	-
Other	53,859	44,178
Reserves under the special laws	16,771	19,391
Reserve for fluctuation in water levels	16,771	19,391
<b>Total Liabilities</b>	<b>1,470,337</b>	<b>1,535,881</b>
<b>Net assets</b>		
Shareholders' equity	176,967	176,766
Common stock	114,291	114,291
Capital surplus	21,174	21,174
Retained earnings	59,645	59,451
Treasury stock	(18,144)	(18,151)
Accumulated other comprehensive income	2,122	11,233
Net unrealized gains on available-for-sale securities	2,122	4,027
Remeasurements of defined benefit plans	-	7,206
Minority interests	11,312	11,279
<b>Total Net Assets</b>	<b>190,403</b>	<b>199,279</b>
<b>Total</b>	<b>1,660,740</b>	<b>1,735,160</b>

**Consolidated Statements of Operations**

(Million yen)

Item	April 1, 2012– September 30, 2012	April 1, 2013– September 30, 2013
<b>Operating Revenues</b>	277,011	290,041
Electric utility operating revenue	267,516	277,138
Other business operating revenue	9,494	12,902
<b>Operating Expenses</b>	317,955	320,491
Electric utility operating expenses	309,816	309,169
Other business operating expenses	8,138	11,322
<b>Operating Income (loss)</b>	(40,944)	(30,450)
<b>Non-operating Income</b>	1,716	1,668
Dividends income	286	236
Interest income	540	554
Equity in earnings of affiliates	371	-
Other	518	876
<b>Non-operating Expenses</b>	10,172	8,857
Interest expenses	7,229	8,072
Equity in losses of affiliates	-	110
Other	2,943	673
Ordinary Revenue	278,727	291,709
Ordinary Expenses	328,128	329,349
<b>Ordinary Income (loss)</b>	(49,400)	(37,639)
Provision or reversal of reserve for fluctuation in water levels	(657)	2,620
Provision of reserve for fluctuation in water levels	-	2,620
Reversal of reserve for fluctuation in water levels	(657)	-
Income (loss) before income taxes	(48,742)	(40,260)
Income taxes-current	(86)	645
Income taxes-deferred	(14)	(40,742)
Total income taxes	(100)	(40,097)
Income (loss) before minority interests	(48,641)	(162)
Minority interests in income (loss)	(9)	30
<b>Net Income (loss)</b>	(48,631)	(193)

**Consolidated Statements of Comprehensive Income**

(Million yen)

Item	April 1, 2012– September 30, 2012	April 1, 2013– September 30, 2013
<b>Income (loss) before Minority Interests</b>	(48,641)	(162)
<b>Other Comprehensive Income</b>		
Net unrealized holding gain (loss) on available-for-sale securities	(1,532)	1,956
Remeasurements of defined benefit plans, net of tax	-	(3,428)
Share of other comprehensive income of associates accounted for using equity method	(0)	-
Total other comprehensive income	(1,532)	(1,472)
<b>Comprehensive Income</b>	(50,174)	(1,634)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(50,165)	(1,726)
Comprehensive income attributable to minority interests	(9)	91

**Consolidated Statements of Cash Flows**

(Million yen)

Account	April 1, 2012 – September 30, 2012	April 1, 2013 – September 30, 2013
<b>Cash Flows from Operating Activities</b>		
Income (loss) before income taxes	(48,742)	(40,260)
Depreciation and amortization	46,526	46,920
Loss on retirement of noncurrent assets	461	1,433
Increase (decrease) in provision for retirement benefits	(2,588)	(46,706)
Increase (decrease) in net defined benefit liability	-	36,573
Increase (decrease) in remeasurements of defined benefit plans	-	7,206
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(2,614)	(2,606)
Increase (decrease) in reserve for fluctuation in water levels	(657)	2,620
Interest and dividends income	(826)	(791)
Interest expenses	7,229	8,072
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	3,309	3,245
Decrease (increase) in notes and accounts receivable-trade	2,954	(604)
Decrease (increase) in inventories	(8,618)	(3,462)
Increase (decrease) in notes and accounts payable-trade	(6,675)	(10,109)
Other, net	(5,532)	13,349
Subtotal	(15,776)	14,881
Interest and dividends income received	859	1,162
Interest expenses paid	(7,180)	(7,900)
Income taxes paid	(1,287)	(1,586)
Net cash provided by (used in) operating activities	(23,385)	6,556
<b>Cash flows from Investment Activities</b>		
Purchase of property, plant and equipment	(55,428)	(62,368)
Payments of investment and loans receivable	(17,985)	(319)
Collection of investment and loans receivable	16,619	1,227
Other, net	31	699
Net cash provided by (used in) investment activities	(56,762)	(60,759)
<b>Cash flows from Financing Activities</b>		
Proceeds from issuance of bonds	-	79,798
Redemption of bonds	-	(20,000)
Proceeds from long-term loans payable	115,000	31,000
Repayment of long-term loans payable	(6,352)	(5,235)
Proceeds from short-term loans payable	121,373	81,925
Repayment of short-term loans payable	(121,196)	(86,809)
Proceeds from issuance of commercial paper	79,000	-
Redemption of commercial paper	(79,000)	-
Cash dividends paid	(5,136)	(26)
Other, net	(264)	(434)
Net cash provided by (used in) financing activities	103,422	80,217
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>23,274</b>	<b>26,014</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>53,593</b>	<b>77,357</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>76,868</b>	<b>103,372</b>

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

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	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)

**Six Months Ended September 30, 2013 (April 1, 2013 – September 30, 2013)**

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	277,138	12,902	290,041	-	290,041
Intersegment sales	633	41,564	42,198	(42,198)	-
Total operating revenue	277,771	54,467	332,239	(42,198)	290,041
Operating income (loss)	(32,080)	1,486	(30,594)	143	(30,450)

**Note:** The information shown above is an English translation of the "Financial Release for the Six Months Ended September 30, 2013" 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.