

Financial Release for the Nine Months Ended December 31, 2014

[Japanese Standards] (Consolidated)

January 30, 2015

Hokkaido Electric Power Co., Inc.

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

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The prearranged date of quarterly financial statement report publication: February 10, 2015

Commencement of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: None

(Monetary figures are rounded down to the nearest million yen)

I. Consolidated Results for the Nine Months (April 1, 2014 – December 31, 2014)

(1) Consolidated Business Results

| | Operating Revenue | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------------|-------------------|------|------------------|---|-----------------|---|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| April 1, 2014–December 31, 2014 | 489,283 | 10.0 | (9,496) | - | (20,596) | - | (1,832) | - |
| April 1, 2013–December 31, 2013 | 444,975 | 6.3 | (57,140) | - | (67,978) | - | (31,396) | - |

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

Reference: Comprehensive income: April 1, 2014 – December 31, 2014 (5,007) million yen [- %]

April 1, 2013 – December 31, 2013 (32,801) million yen [- %]

| | Net Income per Share (primary) | Net Income per Share (fully diluted) |
|---------------------------------|-----------------------------------|---|
| | Yen | Yen |
| April 1, 2014–December 31, 2014 | (8.91) | - |
| April 1, 2013–December 31, 2013 | (152.73) | - |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|-------------------------|--------------|-------------|-------------------------------|
| | Million yen | Million yen | % |
| As of December 31, 2014 | 1,808,008 | 189,938 | 9.9 |
| As of March 31, 2014 | 1,782,776 | 146,731 | 7.6 |

Reference: Shareholders' Equity: As of December 31, 2014 179,727 million yen As of March 31, 2014 135,176 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, 2013 – March 31, 2014 | - | 0.00 | - | 0.00 | 0.00 |
| April 1, 2014 – March 31, 2015 | - | 0.00 | - | - | - |
| April 1, 2014 – March 31, 2015 (Forecast) | - | - | - | - | - |

Note1: Changes of the forecast of the cash dividends per share from the latest release: None

Note2: Year-end dividend for the year ending March 31, 2015 has yet to be determined. Dividends mentioned the above is regarding common shares.

Regarding preferred shares which differ in shareholders' rights from common shares, see "Dividends for preferred shares".

III. Forecasts of Consolidated Results for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

| | Operating Revenue | | Operating Income | | Ordinary Income | | Net Income | | Net Income Per Share (primary) |
|--------------------------------|-------------------|------|------------------|---|-----------------|---|-------------|---|--------------------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| April 1, 2014 – March 31, 2015 | 695,000 | 10.3 | (8,000) | - | (22,000) | - | (3,000) | - | (14.59) |

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

* Given that the forecast above was made on the basis of information available at the time of release of this document, the actual result may vary from the forecast data due to various factors.

(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
- Changes of accounting policies due to amendment of accounting standards: Yes
 - Other changes in accounting policies: None
 - Changes in accounting estimates: None
 - Restatements: None
- (4) Outstanding shares (Common stock)
- Number of outstanding shares (Treasury stock included):
As of December 31, 2014: 215,291,912 As of March 31, 2014: 215,291,912
 - Number of treasury stock:
As of December 31, 2014: 9,739,014 As of March 31, 2014: 9,731,179
 - Average number of shares over period:
April 1, 2014 - December 31, 2014: 205,556,998 April 1, 2013 – December 31, 2013: 205,569,497

Dividends for preferred shares

The breakdown of dividend per preferred shares which differ in shareholders' rights from common shares is as follows.

| Class A preferred shares | Cash dividends per share | | | | |
|--|--------------------------|--------------|-------------|------------|--------------|
| | June 30 | September 30 | December 31 | Year-ended | Annual total |
| | Yen | Yen | Yen | Yen | Yen |
| April 1, 2014 – March 31, 2015 | - | 0.00 | - | | |
| April 1, 2014 – March 31, 2015 (Forecast) | | | | - | - |

Note1: Changes of the forecast of the cash dividends per share from the latest release: None

Note2: Class A preferred shares mentioned the above were issued in July, 2014.

(Reference)**Forecasts of Non-consolidated Results for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)**

| | Operating Revenue | | Operating Income | | Ordinary Income | | Net Income | | Net Income Per Share (primary) |
|--------------------------------|-------------------|------|------------------|---|-----------------|---|-------------|---|--------------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | |
| April 1, 2014 – March 31, 2015 | 670,000 | 10.8 | (5,000) | - | (18,000) | - | 1,000 | - | 4.86 |

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

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

Results of Production and Sales [Electric Utility Business]

1. Sales

Electricity Sales

(GWh)

| | April 1, 2014– December 31, 2014 (A) | April 1, 2013– December 31, 2013 (B) | Increase/decrease (A) - (B) | Comparison (%) (A) / (B) | April 1, 2013 – March 31, 2014 |
|---------------------------|--|--|--------------------------------|-----------------------------|-----------------------------------|
| Non-eligible customers | | | | | |
| Residential | 7,849 | 8,044 | (195) | 97.6 | 11,595 |
| Commercial and industrial | 1,365 | 1,407 | (42) | 97.0 | 2,602 |
| Subtotal | 9,214 | 9,451 | (237) | 97.5 | 14,197 |
| Eligible customers | 11,975 | 12,208 | (233) | 98.1 | 16,439 |
| Total | 21,189 | 21,659 | (470) | 97.8 | 30,636 |

2. Production

Power Supply

(GWh)

| | April 1, 2014– December 31, 2014 (A) | April 1, 2013– December 31, 2013 (B) | Increase/decrease (A) - (B) | Comparison (%) (A) / (B) | April 1, 2013 – March 31, 2014 |
|-----------------------------------|--|--|--------------------------------|-----------------------------|-----------------------------------|
| Hokkaido Electric Power Co., Inc. | | | | | |
| [Water flow rate %] | [95.9] | [113.9] | [(18.0)] | | [114.3] |
| Hydroelectric | 2,765 | 3,202 | (437) | 86.4 | 3,875 |
| Fossil fuel | 16,073 | 16,178 | (105) | 99.3 | 23,441 |
| [Nuclear capacity ratio %] | [-] | [-] | [-] | | [-] |
| Nuclear | - | - | - | - | - |
| Renewable | 119 | 97 | 22 | 122.4 | 145 |
| Subtotal | 18,957 | 19,477 | (520) | 97.3 | 27,461 |
| Purchased power | 4,980 | 4,903 | 77 | 101.6 | 6,772 |
| Interchange power | 9 | 1 | 8 | 620.6 | 3 |
| Power used for pumped storage | (45) | (17) | (28) | 250.3 | (23) |
| Total | 23,901 | 24,364 | (463) | 98.1 | 34,213 |

Forecasts of Consolidated Results for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Million yen)

| | April 1, 2014 – March 31, 2015 | |
|-------------------|--------------------------------|---|
| | | Increase/decrease compared with the previous term |
| Operating Revenue | 695,000 | 65,000 |
| Operating Income | (8,000) | 72,000 |
| Ordinary Income | (22,000) | 73,000 |
| Net Income | (3,000) | 60,000 |

Key Factors

| | April 1, 2014 – March 31, 2015 |
|---|--------------------------------|
| [Increase/decrease compared with the previous term] | [Approx. (1.3)%] |
| Electricity sales | Approx. 30.2 TWh |
| Foreign Exchange Rate | Approx. 110 yen/\$ |
| CIF Crude Oil Price | Approx. 94 \$/bl |
| Nuclear Capacity Ratio | Approx. - % |
| Sensitivity Factors | |
| Foreign Exchange Rate (1 yen/\$) | Approx. 1.7 billion yen |
| CIF Crude Oil Price (1 \$/bl) | Approx. 1.6 billion yen |
| Interest (1 %) | Approx. 3.3 billion yen |

(Reference)

Forecasts of Non-consolidated Results for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Million yen)

| | April 1, 2014 – March 31, 2015 | |
|-------------------|--------------------------------|---|
| | | Increase/decrease compared with the previous term |
| Operating Revenue | 670,000 | 65,000 |
| Operating Income | (5,000) | 79,000 |
| Ordinary Income | (18,000) | 80,000 |
| Net Income | 1,000 | 65,000 |

Consolidated Balance Sheets

(Million yen)

| Item | As of March 31, 2014 (A) | As of December 31, 2014 (B) |
|--|-----------------------------|--------------------------------|
| Assets | | |
| Noncurrent assets | 1,556,356 | 1,556,917 |
| Electric utility plant and equipment | 1,008,848 | 1,122,915 |
| Hydroelectric power production facilities | 106,130 | 229,756 |
| Thermal power production facilities | 87,242 | 84,030 |
| Nuclear power production facilities | 237,231 | 233,707 |
| Transmission facilities | 173,813 | 171,631 |
| Transformation facilities | 79,293 | 80,533 |
| Distribution facilities | 274,353 | 273,133 |
| General facilities | 44,545 | 44,309 |
| Other electric utility plant and equipment | 6,238 | 5,812 |
| Other noncurrent assets | 58,264 | 57,262 |
| Construction in progress | 196,403 | 74,058 |
| Construction in progress | 196,293 | 73,553 |
| Retirement in progress | 109 | 505 |
| Nuclear fuel | 129,574 | 145,118 |
| Nuclear fuel in processing | 129,574 | 145,118 |
| Investments and other assets | 163,266 | 157,562 |
| Long-term investments | 48,192 | 46,267 |
| Net defined benefit asset | 15,677 | 15,786 |
| Deferred tax assets | 37,031 | 38,056 |
| Other | 62,451 | 57,530 |
| Allowance for doubtful accounts | (87) | (78) |
| Current assets | 226,419 | 251,091 |
| Cash and deposits | 121,077 | 140,342 |
| Notes and accounts receivable-trade | 44,953 | 51,437 |
| Inventories | 47,490 | 44,009 |
| Deferred tax assets | 3,726 | 3,511 |
| Other | 9,654 | 12,312 |
| Allowance for doubtful accounts | (482) | (523) |
| Total | 1,782,776 | 1,808,008 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Noncurrent liabilities | 1,336,470 | 1,317,997 |
| Bonds payable | 599,130 | 599,132 |
| Long-term loans payable | 540,040 | 526,184 |
| Provision for reprocessing of irradiated nuclear fuel | 60,659 | 56,706 |
| Provision for reprocessing of irradiated nuclear fuel without specific plans | 8,511 | 8,766 |
| Net defined benefit liability | 38,436 | 38,321 |
| Asset retirement obligations | 71,343 | 72,629 |
| Other | 18,348 | 16,257 |
| Current liabilities | 280,182 | 300,072 |
| Current portion of long-term debt | 104,290 | 138,483 |
| Short-term loans payable | 53,000 | 53,900 |
| Notes and accounts payable-trade | 46,766 | 44,076 |
| Accrued taxes | 8,175 | 12,806 |
| Other | 67,949 | 50,806 |
| Reserves under the special laws | 19,391 | - |
| Reserve for fluctuation in water levels | 19,391 | - |
| Total Liabilities | 1,636,044 | 1,618,070 |
| Net assets | | |
| Shareholders' equity | 113,978 | 160,844 |
| Common stock | 114,291 | 114,291 |
| Capital surplus | 21,174 | 49,998 |
| Retained earnings | (3,328) | 14,719 |
| Treasury stock | (18,159) | (18,165) |
| Accumulated other comprehensive income | 21,197 | 18,882 |
| Net unrealized gains on available-for-sale securities | 4,076 | 5,144 |
| Remeasurements of defined benefit plans | 17,121 | 13,738 |
| Minority interests | 11,555 | 10,211 |
| Total Net Assets | 146,731 | 189,938 |
| Total | 1,782,776 | 1,808,008 |

Consolidated Statements of Operations

(Million yen)

| Item | April 1, 2013– December 31, 2013 | April 1, 2014– December 31, 2014 |
|--|----------------------------------|----------------------------------|
| Operating Revenues | 444,975 | 489,283 |
| Electric utility operating revenue | 425,332 | 467,103 |
| Other business operating revenue | 19,642 | 22,179 |
| Operating Expenses | 502,115 | 498,779 |
| Electric utility operating expenses | 484,944 | 479,131 |
| Other business operating expenses | 17,171 | 19,648 |
| Operating Income (Loss) | (57,140) | (9,496) |
| Non-operating Income | 2,373 | 2,921 |
| Dividends Income | 410 | 504 |
| Interest income | 860 | 860 |
| Gain on sales of noncurrent assets | 198 | 873 |
| Other | 903 | 683 |
| Non-operating Expenses | 13,211 | 14,021 |
| Interest expenses | 12,259 | 12,592 |
| Equity in losses of affiliates | 147 | 428 |
| Other | 805 | 1,000 |
| Ordinary revenue | 447,348 | 492,205 |
| Ordinary expenses | 515,327 | 512,801 |
| Ordinary Income (Loss) | (67,978) | (20,596) |
| Provision or reversal of reserve for fluctuation in water levels | 2,620 | (19,391) |
| Provision of reserve for fluctuation in water levels | 2,620 | - |
| Reversal of reserve for fluctuation in water levels | - | (19,391) |
| Income (Loss) before income taxes | (70,598) | (1,204) |
| Income taxes-current | 1,272 | 846 |
| Income taxes-deferred | (40,645) | 689 |
| Total income taxes | (39,373) | 1,536 |
| Income (Loss) before minority interests | (31,225) | (2,741) |
| Minority interests in income (loss) | 171 | (909) |
| Net Income (Loss) | (31,396) | (1,832) |

Consolidated Statements of Comprehensive Income

(Million yen)

| Item | April 1, 2013 – December 31, 2013 | April 1, 2014 – December 31, 2014 |
|---|-----------------------------------|-----------------------------------|
| Income (Loss) before Minority Interests | (31,225) | (2,741) |
| Other Comprehensive Income | | |
| Net unrealized holding gain (loss) on available-for-sale securities | 2,527 | 1,131 |
| Remeasurements of defined benefit plans | (4,103) | (3,398) |
| Total other comprehensive income | (1,575) | (2,266) |
| Comprehensive Income | (32,801) | (5,007) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | (33,091) | (4,147) |
| Comprehensive income attributable to minority interests | 290 | (860) |

Segment Information

Nine Months Ended December 31, 2013 (April 1, 2013 – December 31, 2013)

(Million yen)

| | Reportable segment | Other | Total | Adjustments | Consolidated |
|-------------------------|--------------------|--------|----------|-------------|--------------|
| | Electric utility | | | | |
| Sales to customers | 425,332 | 19,642 | 444,975 | - | 444,975 |
| Intersegment sales | 828 | 68,737 | 69,566 | (69,566) | - |
| Total operating revenue | 426,161 | 88,380 | 514,541 | (69,566) | 444,975 |
| Operating income (loss) | (60,364) | 2,948 | (57,415) | 275 | (57,140) |

Nine Months Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(Million yen)

| | Reportable segment | Other | Total | Adjustments | Consolidated |
|-------------------------|--------------------|--------|---------|-------------|--------------|
| | Electric utility | | | | |
| Sales to customers | 467,103 | 22,179 | 489,283 | - | 489,283 |
| Intersegment sales | 880 | 59,871 | 60,752 | (60,752) | - |
| Total operating revenue | 467,984 | 82,051 | 550,035 | (60,752) | 489,283 |
| Operating income (loss) | (9,549) | (448) | (9,997) | 501 | (9,496) |

Note: The information shown above is an English translation of the "Financial Release for the Nine Months Ended December 31, 2014" 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.