

Financial Release for the Three Months Ended June 30, 2015

[Japanese Standards] (Consolidated)

July 30, 2015

Hokkaido Electric Power Co., Inc.

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

Code no: 9509 Tokyo Stock Exchange (1st section)
 Representative: Akihiko MAYUMI, President and Director
 For inquiry: Katsuhiko YAMADA, Manager, Accounting & Finance Dept.
 Telephone: +81-11-251-1111

The prearranged date of quarterly financial statement report publication: August 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 Three Months (April 1, 2015 – June 30, 2015)

(1) Consolidated Business Results

	Operating Revenue		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2015–June 30, 2015	171,326	6.1	12,782	-	9,252	-	8,079	(46.2)
April 1, 2014–June 30, 2014	161,432	13.7	(713)	-	(4,256)	-	15,020	-

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

Reference: Comprehensive income: April 1, 2015 – June 30, 2015 9,504 million yen [(31.4)%]
 April 1, 2014 – June 30, 2014 13,860 million yen [- %]

	Basic Earnings per Share (primary)		Basic Earnings per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2015–June 30, 2015	39.31	-	-	-
April 1, 2014–June 30, 2014	73.07	-	-	-

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of June 30, 2015	1,782,851	197,750	197,750	188,392	10.5	9.8
As of March 31, 2015	1,815,675	188,392	188,392	178,047	9.8	9.8

Reference: Shareholders' Equity: As of June 30, 2015 187,623 million yen As of March 31, 2015 178,047 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, 2014 – March 31, 2015	-	0.00	-	0.00	0.00
April 1, 2015 – March 31, 2016	-	-	-	-	-
April 1, 2015 – March 31, 2016 (Forecast)	-	-	-	-	-

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

Note2: Interim dividends and Year-end dividends for the year ending March 31, 2016 have yet to be determined. Dividends mentioned the above is regarding common stock. Regarding preferred stock which differs in shareholders' rights from common stock, see "Dividends for preferred stock".

III. Forecasts of Consolidated Results for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

	Operating Revenue		Operating Income		Ordinary Income		Profit attributable to owners of parent		Basic Earnings per Share (primary)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	%
April 1, 2015 – March 31, 2016	756,000	9.1	-	-	-	-	-	-	-	-

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 forecasts above were 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 June 30, 2015: 215,291,912	As of March 31, 2015: 215,291,912
----------------------------------	-----------------------------------
 - Number of treasury stock:

As of June 30, 2015: 9,744,217	As of March 31, 2015: 9,741,779
--------------------------------	---------------------------------
 - Average number of shares over period:

April 1, 2015 – June 30, 2015: 205,548,511	April 1, 2014 – June 30, 2014: 205,560,058
--	--

Dividends for preferred stock

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

Class A preferred stock	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	-	0.00	0.00
April 1, 2015 – March 31, 2016	-	-	-	-	-
April 1, 2015 – March 31, 2016 (Forecast)	-	-	-	-	-

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

Note2: Interim dividends and Year-end dividends for the year ending March 31, 2016 have yet to be determined.

(Reference)**Forecasts of Non-consolidated Results for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)**

	Operating Revenue		Operating Income		Ordinary Income		Profit		Basic Earnings per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2015 – March 31, 2016	728,000	9.7	-	-	-	-	-	-	-

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, 2015– June 30, 2015 (A)	April 1, 2014– June 30, 2014 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2014 – March 31, 2015
Non-eligible customers					
Residential	2,581	2,732	(151)	94.5	11,236
Commercial and industrial	436	503	(67)	86.7	2,429
Subtotal	3,017	3,235	(218)	93.3	13,665
Eligible customers	3,748	3,953	(205)	94.8	16,145
Total	6,765	7,188	(423)	94.1	29,810

2. Production

Power Supply

(GWh)

	April 1, 2015– June 30, 2015 (A)	April 1, 2014– June 30, 2014 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2014 – March 31, 2015
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[104.2]	[92.6]	[11.6]		[97.9]
Hydroelectric	1,276	1,111	165	114.9	3,394
Fossil fuel	4,402	4,726	(324)	93.2	22,804
[Nuclear capacity ratio %]	[-]	[-]	[-]		[-]
Nuclear	-	-	-	-	-
Renewable	35	46	(11)	75.3	162
Subtotal	5,713	5,883	(170)	97.1	26,360
Purchased power	1,484	1,651	(167)	89.9	6,809
Interchange power	(3)	3	(6)	-	12
Power used for pumped storage	(30)	(17)	(13)	172.4	(47)
Total	7,164	7,520	(356)	95.3	33,134

Forecasts for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

The forecasts for the Year Ending March 31, 2016 published on April 30, 2015 have been revised.

The electricity sales will be approximately 30.1 TWh decreased by 0.4 TWh compared to the last forecasts.

The operating revenue will be approximately 756,000 million yen decreased by 10,000 million yen compared to the last forecasts.

On the other hand, the forecasts of profit and loss are yet to be determined at this point. This is because the increased costs of fossil fuel generation in place of nuclear power generation cannot be assessed appropriately as we are unable to predict the schedule of restart of the Tomari Nuclear Power Plant. At the same time, we are making every effort to ensure that there are no issues with reviews based on the new regulatory requirements and it is progressing.

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

Forecasts of Consolidated Results for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Million yen)

		April 1,2015 – March 31,2016	
		Increase/decrease compared to the previous forecast	Increase/decrease compared to the year ended in March 31, 2015
Operating Revenue	756,000	(10,000)	63,000
[Comparison to last fiscal year]	[Approx. 0.8%]		
Electricity sales	Approx. 30.1 TWh	Approx. (0.4) TWh	Approx. 0.3 TWh

Note: "Increase/decrease compared to the previous forecast" means the difference between this forecast and that published in April 30, 2015.

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

(April 1, 2015 – March 31, 2016)

(Million yen)

		April 1,2015 – March 31,2016	
		Increase/decrease compared to the previous forecast	Increase/decrease compared to the year ended in March 31, 2015
Operating Revenue	728,000	(10,000)	64,000

Note: We assume the foreign exchange rate and CIF crude oil price in the full year ending March 31, 2016 will be 120 yen/\$ and 60 \$/barrel in these forecasts.

Consolidated Balance Sheets

(Million yen)

Item	As of March 31, 2015	As of June 30, 2015
Assets		
Noncurrent assets	1,563,720	1,568,077
Electric utility plant and equipment	1,117,227	1,100,215
Hydroelectric power production facilities	226,268	223,387
Thermal power production facilities	81,392	79,614
Nuclear power production facilities	238,118	231,715
Transmission facilities	168,925	166,744
Transformation facilities	79,057	77,598
Distribution facilities	274,927	273,546
General facilities	42,896	42,092
Other electric utility plant and equipment	5,641	5,514
Other noncurrent assets	58,081	57,089
Construction in progress	95,750	118,039
Construction in progress	95,623	117,788
Retirement in progress	126	251
Nuclear fuel	145,492	145,423
Nuclear fuel in processing	145,492	145,423
Investments and other assets	147,168	147,309
Long-term investments	46,182	48,767
Net defined benefit asset	14,008	14,383
Deferred tax assets	29,803	29,098
Other	57,242	55,147
Allowance for doubtful accounts	(68)	(86)
Current assets	251,955	214,774
Cash and deposits	152,016	110,634
Notes and accounts receivable-trade	50,042	51,220
Inventories	37,414	36,075
Deferred tax assets	5,925	6,060
Other	7,027	11,243
Allowance for doubtful accounts	(472)	(459)
Total	1,815,675	1,782,851
Liabilities and Net Assets		
Liabilities		
Noncurrent liabilities	1,268,783	1,234,787
Bonds payable	529,133	509,134
Long-term loans payable	545,123	533,669
Provision for reprocessing of irradiated nuclear fuel	55,399	53,882
Provision for reprocessing of irradiated nuclear fuel without specific plans	8,851	8,940
Net defined benefit liability	40,456	39,363
Asset retirement obligations	73,578	74,030
Other	16,241	15,766
Current liabilities	358,500	349,390
Current portion of long-term debt	182,146	202,230
Short-term loans payable	42,000	52,880
Notes and accounts payable-trade	40,363	27,557
Accrued taxes	13,840	19,825
Other	80,149	46,896
Reserves under the special laws	-	923
Reserve for fluctuation in water levels	-	923
Total Liabilities	1,627,283	1,585,101
Net assets		
Shareholders' equity	165,612	173,689
Common stock	114,291	114,291
Capital surplus	49,998	49,998
Retained earnings	19,490	27,569
Treasury stock	(18,167)	(18,170)
Accumulated other comprehensive income	12,434	13,934
Net unrealized gains on available-for-sale securities	5,263	7,392
Remeasurements of defined benefit plans	7,170	6,541
Minority interests	10,345	10,126
Total Net Assets	188,392	197,750
Total	1,815,675	1,782,851

Consolidated Statements of Operations

(Million yen)

Item	April 1, 2014– June 30, 2014	April 1, 2015– June 30, 2015
Operating Revenues	161,432	171,326
Electric utility operating revenue	155,317	164,673
Other business operating revenue	6,115	6,652
Operating Expenses	162,146	158,543
Electric utility operating expenses	156,767	152,881
Other business operating expenses	5,379	5,661
Operating Income (Loss)	(713)	12,782
Non-operating Income	870	854
Dividends Income	256	231
Interest income	282	264
Other	330	358
Non-operating Expenses	4,413	4,385
Interest expenses	4,189	4,090
Equity in losses of affiliates	58	110
Other	165	184
Ordinary revenue	162,302	172,180
Ordinary expenses	166,559	162,928
Ordinary Income (Loss)	(4,256)	9,252
Provision or reversal of reserve for fluctuation in water levels	(19,391)	923
Provision of reserve for fluctuation in water levels	-	923
Reversal of reserve for fluctuation in water levels	(19,391)	-
Income (Loss) before income taxes	15,134	8,328
Income taxes-current	343	285
Income taxes-deferred	221	69
Total income taxes	564	355
Profit (Loss)	14,570	7,973
Profit (Loss) attributable to non-controlling interests	(449)	(105)
Profit (Loss) attributable to owners of parent	15,020	8,079

Consolidated Statements of Comprehensive Income

(Million yen)

Item	April 1, 2014– June 30, 2014	April 1, 2015– June 30, 2015
Profit (Loss)	14,570	7,973
Other Comprehensive Income		
Net unrealized holding gain (loss) on available-for-sale securities	423	2,162
Remeasurements of defined benefit plans	(1,132)	(631)
Total other comprehensive income	(709)	1,531
Comprehensive Income	13,860	9,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,306	9,579
Comprehensive income attributable to non-controlling interests	(445)	(74)

Segment Information

Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	155,317	6,115	161,432	-	161,432
Intersegment sales	469	14,541	15,010	(15,010)	-
Total operating revenue	155,787	20,656	176,443	(15,010)	161,432
Operating income (loss)	(27)	(927)	(955)	241	(713)

Note1: The segment loss adjustment of ¥241 million is due to the elimination of intersegment transactions.

Note2: Segment loss is adjusted with operating loss in the consolidated financial statements.

Three Months Ended June 30, 2015 (April 1, 2015 – June 30, 2015)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	164,673	6,652	171,326	-	171,326
Intersegment sales	488	16,382	16,870	(16,870)	-
Total operating revenue	165,162	23,034	188,196	(16,870)	171,326
Operating income	12,305	179	12,484	297	12,782

Note1: The segment income adjustment of ¥297 million is due to the elimination of intersegment transactions.

Note2: Segment income is adjusted with operating income in the consolidated financial statements.

Note: The information shown above is an English translation of the "Financial Release for the Three Months Ended June 30, 2015" 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.