

Financial Release for the Six Months Ended September 30, 2015

[Japanese Standards] (Consolidated)

October 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: November 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: 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, 2015 – September 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–September 30, 2015	340,815	6.8	24,362	816.6	17,049	-	15,937	16.8
April 1, 2014–September 30, 2014	319,084	10.0	2,658	-	(4,913)	-	13,648	-

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

Reference: Comprehensive income: April 1, 2015 – September 30, 2015 14,896 million yen [35.0%]

April 1, 2014 – September 30, 2014 11,032 million yen [- %]

	Basic Earnings per Share (primary)		Basic Earnings per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2015–September 30, 2015	77.54	-	-	-
April 1, 2014–September 30, 2014	66.40	-	-	-

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of September 30, 2015	1,792,229	203,133	1,792,229	203,133	10.8	10.8
As of March 31, 2015	1,815,675	188,392	1,815,675	188,392	9.8	9.8

Reference: Shareholders' Equity: As of September 30, 2015 192,937 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	-	0.00	-	-	-
April 1, 2015 – March 31, 2016 (Forecast)	-	-	-	-	-

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

Note2: Year-end dividends for the year ending March 31, 2016 have yet to be determined. Dividends mentioned above are 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	732,000	5.6	-	-	-	-	-	-	-	-

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

* 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 September 30, 2015: 215,291,912 As of March 31, 2015: 215,291,912
 - Number of treasury stock:
As of September 30, 2015: 9,749,333 As of March 31, 2015: 9,741,779
 - Average number of shares over period:
April 1, 2015 – September 30, 2015: 205,545,997 April 1, 2014 – September 30, 2014: 205,558,415

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
April 1, 2014 – March 31, 2015	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
April 1, 2015 – March 31, 2016	-	0.00			
April 1, 2015 – March 31, 2016 (Forecast)			-	-	-

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

Note2: 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	703,000	5.9	-	-	-	-	-	-	-

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– September 30, 2015 (A)	April 1, 2014– September 30, 2014 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2014 – March 31, 2015
Non-eligible customers					
Residential	4,938	5,111	(173)	96.6	11,236
Commercial and industrial	785	861	(76)	91.2	2,429
Subtotal	5,723	5,972	(249)	95.8	13,665
Eligible customers	7,585	8,042	(457)	94.3	16,145
Total	13,308	14,014	(706)	95.0	29,810

2. Production

Power Supply

(GWh)

	April 1, 2015– September 30, 2015 (A)	April 1, 2014– September 30, 2014 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2014 – March 31, 2015
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[96.2]	[98.6]	[(2.4)]		[97.9]
Hydroelectric	2,109	2,137	(28)	98.7	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
Interchange 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

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 July 30, 2015 have been revised.

Given the recent business situation, such as the influence of cooperative efforts to save electricity, decrease in contract electricity demand in commercial customers, and falling production in industrial customers, Electricity sales will be decreased to approx. 28.9 TWh by approx. 1.2 TWh compared to the previous forecasts.

Operating Revenue will be decreased to approx. 732 billion yen by approx. 24 billion yen due to the decrease in electricity sales, etc, compared to the previous forecasts.

On the other hand, Operating Income, Ordinary Income, and Profit are yet to be determined. 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 forecasts	Increase/decrease compared to the year ended March 31, 2015
Operating Revenue	732,000	(24,000)	39,000
[Comparison to last fiscal year] Electricity sales	[Approx. (2.9)%] Approx. 28.9 TWh	Approx. (1.2) TWh	Approx. (0.9) TWh

(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 forecasts	Increase/decrease compared to the year ended March 31, 2015
Operating Revenue	703,000	(25,000)	39,000

Note1: "Increase/decrease compared to the previous forecasts" means the difference between these forecasts and the previous ones published on July 30, 2015.

Note2: We assume the foreign exchange rate and CIF crude oil price in this fiscal year will be 121 yen/\$ (120 yen/\$ in the 2nd half) and 57 \$/barrel (55 \$/barrel in the 2nd half) in these forecasts.

Consolidated Balance Sheets

(Million yen)

Item	As of March 31, 2015	As of September 30, 2015
Assets		
Noncurrent assets	1,563,720	1,564,716
Electric utility plant and equipment	1,117,227	1,088,925
Hydroelectric power production facilities	226,268	220,777
Thermal power production facilities	81,392	78,652
Nuclear power production facilities	238,118	226,344
Transmission facilities	168,925	165,756
Transformation facilities	79,057	77,131
Distribution facilities	274,927	273,195
General facilities	42,896	41,298
Other electric utility plant and equipment	5,641	5,768
Other noncurrent assets	58,081	55,986
Construction in progress	95,750	129,255
Construction in progress	95,623	128,954
Retirement in progress	126	300
Nuclear fuel	145,492	146,321
Nuclear fuel in processing	145,492	146,321
Investments and other assets	147,168	144,227
Long-term investments	46,182	46,029
Net defined benefit asset	14,008	14,687
Deferred tax assets	29,803	29,994
Other	57,242	53,599
Allowance for doubtful accounts	(68)	(83)
Current assets	251,955	227,512
Cash and deposits	152,016	113,058
Notes and accounts receivable-trade	50,042	55,570
Inventories	37,414	42,050
Deferred tax assets	5,925	6,104
Other	7,027	11,207
Allowance for doubtful accounts	(472)	(477)
Total	1,815,675	1,792,229
Liabilities and Net Assets		
Liabilities		
Noncurrent liabilities	1,268,783	1,207,703
Bonds payable	529,133	509,135
Long-term loans payable	545,123	508,580
Provision for reprocessing of irradiated nuclear fuel	55,399	52,364
Provision for reprocessing of irradiated nuclear fuel without specific plans	8,851	9,028
Net defined benefit liability	40,456	38,576
Asset retirement obligations	73,578	74,483
Deferred tax liabilities	-	17
Other	16,241	15,517
Current liabilities	358,500	381,392
Current portion of long-term debt	182,146	222,873
Short-term loans payable	42,000	54,300
Notes and accounts payable-trade	40,363	31,603
Accrued taxes	13,840	17,329
Other	80,149	55,286
Total Liabilities	1,627,283	1,589,095
Net assets		
Shareholders' equity	165,612	181,539
Common stock	114,291	114,291
Capital surplus	49,998	49,997
Retained earnings	19,490	35,427
Treasury stock	(18,167)	(18,177)
Accumulated other comprehensive income	12,434	11,398
Net unrealized gains on available-for-sale securities	5,263	5,485
Remeasurements of defined benefit plans	7,170	5,912
Minority interests	10,345	10,195
Total Net Assets	188,392	203,133
Total	1,815,675	1,792,229

Consolidated Statements of Operations

(Million yen)

Item	April 1, 2014– September 30, 2014	April 1, 2015– September 30, 2015
Operating Revenues	319,084	340,815
Electric utility operating revenue	304,742	327,126
Other business operating revenue	14,342	13,689
Operating Expenses	316,426	316,453
Electric utility operating expenses	303,680	304,822
Other business operating expenses	12,746	11,630
Operating Income	2,658	24,362
Non-operating Income	1,624	1,308
Dividends income	338	233
Interest income	570	546
Other	715	528
Non-operating Expenses	9,196	8,620
Interest expenses	8,396	8,188
Equity in losses of affiliates	95	127
Other	704	304
Ordinary revenue	320,709	342,124
Ordinary expenses	325,623	325,074
Ordinary Income (Loss)	(4,913)	17,049
Provision or reversal of reserve for fluctuation in water levels	(18,925)	-
Reversal of reserve for fluctuation in water levels	(18,925)	-
Income before income taxes	14,012	17,049
Income taxes-current	730	998
Income taxes-deferred	290	108
Total income taxes	1,021	1,106
Profit	12,990	15,943
Profit (Loss) attributable to non-controlling interests	(657)	5
Profit attributable to owners of parent	13,648	15,937

Consolidated Statements of Comprehensive Income

(Million yen)

Item	April 1, 2014– September 30, 2014	April 1, 2015– September 30, 2015
Profit	12,990	15,943
Other Comprehensive Income		
Net unrealized holding gain (loss) on available-for-sale securities	307	216
Remeasurements of defined benefit plans	(2,265)	(1,263)
Total other comprehensive income	(1,957)	(1,047)
Comprehensive Income	11,032	14,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,677	14,901
Comprehensive income attributable to non-controlling interests	(644)	(5)

Consolidated Statements of Cash Flows

(Million yen)

Account	April 1, 2014 – September 30, 2014	April 1, 2015 – September 30, 2015
Cash flows from operating activities:		
Income before income taxes	14,012	17,049
Depreciation and amortization	45,378	44,287
Decommissioning costs of nuclear power units	1,160	1,212
Loss on retirement of noncurrent assets	816	980
Increase (decrease) in net defined benefit liability	(1,765)	(4,333)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(2,633)	(3,034)
Increase (decrease) in reserve for fluctuation in water levels	(18,925)	-
Interest and dividends income	(908)	(780)
Interest expenses	8,396	8,188
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	3,279	3,534
Decrease (increase) in notes and accounts receivable-trade	(421)	(5,518)
Decrease (increase) in inventories	1,090	(4,635)
Increase (decrease) in notes and accounts payable-trade	(13,240)	(8,948)
Other, net	(2,464)	(3,842)
Subtotal	33,775	44,159
Interest and dividend income received	936	805
Interest expenses paid	(8,390)	(8,236)
Income taxes paid	(2,283)	(501)
Net cash provided by (used in) operating activities	24,037	36,226
Cash flows from investing activities:		
Purchase of property, plant and equipment	(62,730)	(72,969)
Payments of investment and loans receivable	(501)	(284)
Collection of investment and loans receivable	3,739	718
Other, net	1,170	1,262
Net cash provided by (used in) investing activities	(58,321)	(71,272)
Cash flows from financing activities:		
Proceeds from issuance of bonds	19,948	-
Redemption of bonds	-	(15,000)
Proceeds from long-term loans payable	1,090	21,650
Repayment of long-term loans payable	(8,698)	(22,432)
Proceeds from short-term loans payable	158,648	125,029
Repayment of short-term loans payable	(159,435)	(112,709)
Proceeds from issuance of new shares	49,766	-
Cash dividends paid	(21)	(18)
Other, net	(401)	(431)
Net cash provided by (used in) financing activities	60,895	(3,912)
Net Increase (Decrease) in Cash and Cash Equivalents	26,610	(38,958)
Cash and cash equivalents at beginning of period	121,077	152,016
Cash and Cash Equivalents at End of Period	147,688	113,058

Segment Information

Six Months Ended September 30, 2014 (April 1, 2014 – September 30, 2014)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	304,742	14,342	319,084	-	319,084
Intersegment sales	678	36,144	36,822	(36,822)	-
Total operating revenue	305,420	50,486	355,907	(36,822)	319,084
Operating income (loss)	2,499	(375)	2,123	534	2,658

Note1: The segment income (loss) adjustment of ¥534 million is due to the elimination of intersegment transactions.

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

Six Months Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(Million yen)

	Reportable segment	Other	Total	Adjustments	Consolidated
	Electric utility				
Sales to customers	327,126	13,689	340,815	-	340,815
Intersegment sales	681	39,011	39,693	(39,693)	-
Total operating revenue	327,808	52,700	380,509	(39,693)	340,815
Operating income	21,686	2,144	23,831	531	24,362

Note1: The segment income adjustment of ¥531 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 Six Months Ended September 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.