

## ■ Financial Results for the Year Ended March 31, 2015

Hokkaido Electric Power Co., Inc.  
May 14, 2015

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\*In this presentation, “FY(Fiscal Year)” refers to the period of April 1 through March 31 of each year.  
e.g. FY2015 means the period from April 1, 2014to March 31, 2015.

# ■ Management Situation

## <Management Condition>

The rise in electricity rates last year made it possible to secure the necessary funds for fuel procurement and equipment maintenance. We are also securing a solid management base to maintain stable power supplies.

## <Present Issues and Measures>

### ○Measures for Stabilizing Management

- We will try to further enhance the safety of the Tomari Nuclear Power Plant (the Tomari) and make every effort to ensure that there are no issues with reviews based on the new regulatory requirements set out by Nuclear Regulation Authority (NRA). We are making earnest efforts to resume early operation of the Tomari based on the safety of the units.
  - We will proceed with strengthening managerial efficiency to improve profits and strengthen the financial base.
- ⇒We aim to stabilize our business by ensuring stable power supplies and improving net assets.

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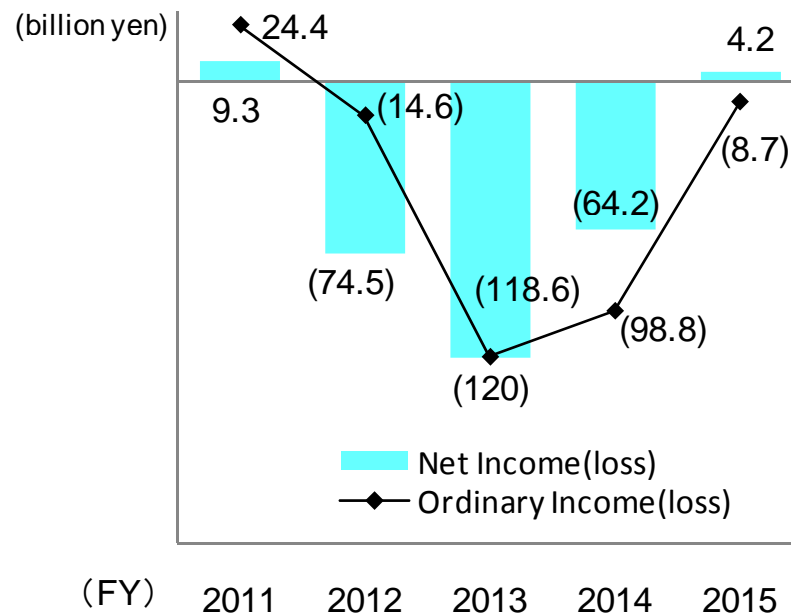
### ○Measures for Further Development

- We are promoting the introduction of new power plants, such as Ishikariwan Shinko Power Plant (LNG) and expanding the capacity of the Hokkaido-Honshu HVDC Link (Kitahon HVDC Link) towards ensuring stable power supplies in the future.  
We are working on various demonstration tests to expand the introduction of renewable energy resources.
- In addition, to cope with the issues of operation system and practical matters for the full liberalization of the retail power market, we are proceeding with measures to ensure our customers continue to select our company. We are also considering expansion of our business domains, while anticipating the development of competition.

Also, in the new business environment, we aim to become the “Hepco Group” that wins the selection and trust of our customers and develop along with our region.

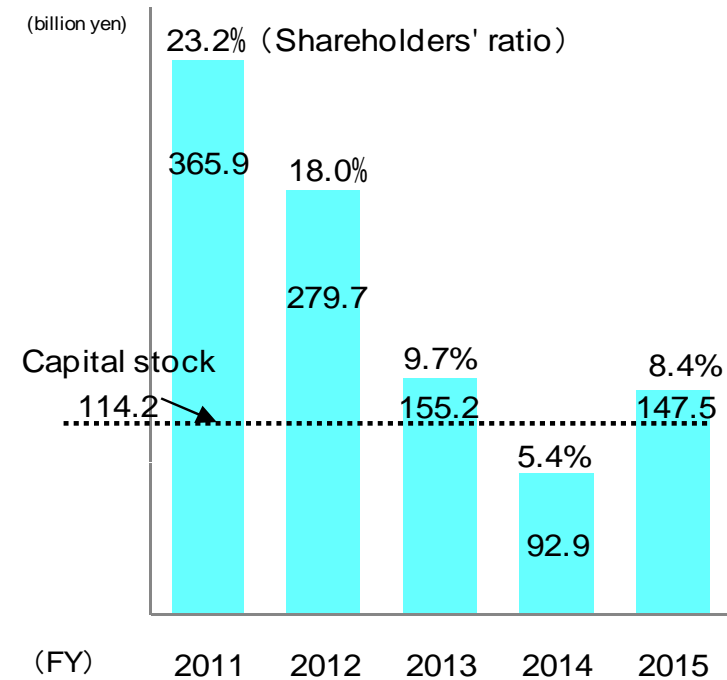
## Profit/Loss 【Non-Consolidated】

○Our Profit/Loss in FY2015 has improved compared to the previous year because of the rise in electricity rates, the decline of fuel costs, and a decrease in costs through promoting managerial efficiency.



## Net Assets 【Non-Consolidated】

○Net assets as of March 31, 2015, totaled 147.5 billion yen (recovering from capital stock levels) through implementing measures covering net assets and profit improvement. Shareholders' ratio is 8.4%.



# Measures Taken to Restart the Tomari Nuclear Power Plant



- We are making every effort to ensure that there are no issues with reviews based on the new regulatory requirements set out by the NRA and aim to finish the construction works promptly to ensure safety.
- For the early restart of the Tomari, we will immediately push forward preparations for the permission to change the reactor installation license based on the precedent example after defining the basis seismic ground motions.

## 【Response to Reviews Based on the New Regulatory Requirements】

	Tomari Nuclear Power Plant Unit 3	Tomari Nuclear Power Plant Unit 1 & 2
Submission of Applications	Jul. 2013	Jul. 2013 Mar. 2014 (Correction Applied)
Review Status	<p>65 times</p> <ul style="list-style-type: none"> <li>○ We have already submitted 25 items (measures against severe accidents, tsunami and volcanic hazard evaluation, etc.) of 27, excluding relating the basis seismic ground motions.</li> <li>○ The review on “The Western Coastal Landform of Shakotan Peninsula” and “Seismic motion with unidentified hypocenter” by the NRA is continuing.</li> </ul>	<p>35 times</p> <ul style="list-style-type: none"> <li>○ The items, excluding plant facilities evaluation, such as seismic motion, tsunami, and volcanic hazard evaluation are under review by the NRA, in conjunction with the review for Unit 3.</li> </ul>

## 【Current Status of Construction Works to Secure Safety】

Measures	Facilities	Tomari Unit 3	Tomari Unit 1 & 2	
Planned Construction Works at the time of enforcement of New Regulatory Requirements	Facility for preventing core damage, Facility for preventing damage to the containment vessel, etc.	Loading and equipment installation is almost complete.		
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Construction after five years postponement</td> <td>Countermeasures such as “specialized safety facility” (Water tanks, Pump for serious accident, Generator for serious accident, Filtered containment venting system, Emergency control room)</td> </tr> </table>	Construction after five years postponement	Countermeasures such as “specialized safety facility” (Water tanks, Pump for serious accident, Generator for serious accident, Filtered containment venting system, Emergency control room)	FY2016~FY2018
Construction after five years postponement	Countermeasures such as “specialized safety facility” (Water tanks, Pump for serious accident, Generator for serious accident, Filtered containment venting system, Emergency control room)			
Added and Revised Construction Works based on the review by the NRA	Duplication of Containment Spray System	Additional installation of pipework is almost complete.	—	
	Protective facilities for tornados, construction countermeasures against internal fires and internal overflow water, etc.	We are making every effort to finish the construction work as soon as possible although there is the possibility of additions and revisions to the work.		

○For determining the basis seismic ground motions for the seismic evaluation of the facilities, we are making every effort to get the early confirmation from the NRA about the following two points:

- ①The Western Coastal Landform of Shakotan Peninsula
- ②Iwate-Miyagi inland earthquake (Seismic motion with unidentified hypocenter)

[Response to Reviews Based on the New Regulatory Requirements ]

Issues	Viewpoint of NRA	Our Viewpoint	Efforts in the Past	Current Situation of Reviews
① Western Coastal Landform of Shakotan Peninsula	Some places in the coastal landform are higher than the intertidal zone. The possibility of seismic uplift cannot be denied.	<ul style="list-style-type: none"> <li>•The coastal landform was under the influence of tide level changes and waves at the time of the surge. High and low of the landform is due to the intensity of the erosion resistance to waves depending on the rock type.</li> <li>•It is not due to the seismic uplift according to the results of a survey in the northern and eastern part of Shakotan Peninsula.</li> </ul>	<ul style="list-style-type: none"> <li>•We conducted various surveys throughout almost the entire circumference of the peninsula including the sea area of the western coast of Shakotan Peninsula.</li> <li>• We have made any efforts, such as surveys (including drilling), analysis and data expansion, etc. which are necessary in order to deny the seismic uplift.</li> </ul>	<p>&lt;Review Meeting on March 13, 2015&gt;</p> <ul style="list-style-type: none"> <li>•We explained our evaluation again based on the result of the additional drilling survey around the Tomari site.</li> <li>•There were some comments from the NRA, to further enhance the certainty of our evaluation, but we realized they were not denying our evaluation.</li> <li>•We perform a re-organization of data. On top of that, we aim an early answer as soon as possible.</li> </ul> <p>&lt;Review Meeting on May 29, 2015&gt;</p> <ul style="list-style-type: none"> <li>•NRA has approved our evaluation in outline, and we consider this a major step forward to restarting of the Tomari.</li> </ul>
② Iwate-Miyagi inland earthquake	Must consider Iwate-Miyagi inland earthquake.	<ul style="list-style-type: none"> <li>•The landform and distribution of geologic structures around the Tomari is different from the hypo-central region of the Iwate-Miyagi inland earthquake. Regional differences are apparent.</li> <li>•However, we decided to take the earthquake into account from the viewpoint of further safety improvement.</li> </ul>	<ul style="list-style-type: none"> <li>•We collected and analyzed seismometer records, including the aftershocks, in a large number of observation spots at other institutions and carried out a field survey to estimate the ground structure.</li> </ul>	<p>&lt;Review Meeting on March 20, 2015&gt;</p> <ul style="list-style-type: none"> <li>•We explained to add the motion of two spots to the reference seismic motion. We selected the most reliable two spots in all the 18 spots based on the result of collection and analysis of seismometer records from other institutions and the ground condition in the observation spots.</li> <li>•We recognized that NRA did not deny our evaluation although they asked us to supplement our explanations and evaluation technique.</li> <li>•Currently, we are carrying out an additional examination and will report as soon as possible.</li> </ul>

# Initiatives to Improve Managerial Efficiency

○ In addition to the steady improvement of income and expenditure and the reinforcement of financial strength, we are proceeding with improving managerial efficiency and cutting costs for the realization of a low-cost structure under the competitive environment.

○ Firstly, we are promoting a response to the assessment shown in the case of the electricity rate re-raise authorization in last year in addition to the secure implementing of the managerial efficiency plan that we announced in the case of the raise of electricity rates.

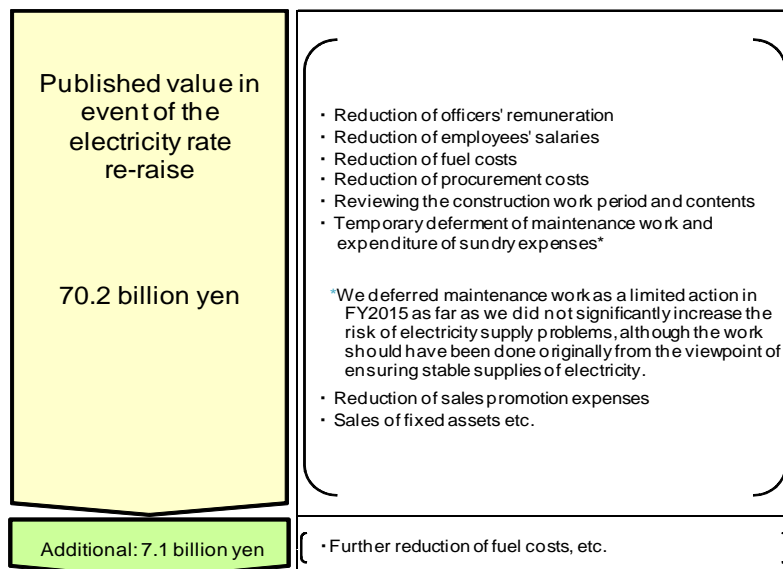
<Actual Results in FY2015>

- We were able to achieve a cost cutting of 77.4 billion yen, as a result of our working on the managerial efficiency plan exceeding 70 billion yen that we announced in the case of a electricity rate re-raise of the last year and having worked on every possible additional reduction.

<Measures in FY2016>

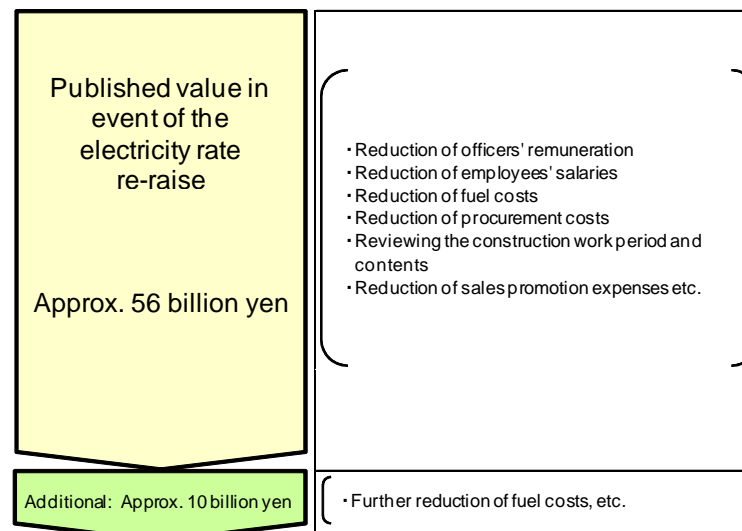
- We plan approx. 66 billion yen for the managerial efficiency plan, including an additional reduction of 10 billion yen as a reaction to the assessment and around 56 billion yen that we planned in the case of the raise of electricity rates last year. We are working on cost-cutting across all areas of expenditure and aim at a successful result.

## ○ Managerial Efficiency in FY2015 [Actual Results]



【Total: 77.4 billion yen】

## ○ Managerial Efficiency in FY2016 [Plan]



【Total: Approx. 66 billion yen】

## ■ Proper Response to the New Business Environment

- In 2016, through the full liberalization of the retail power market, all customers will be able to select their electric power supply company freely, so competition will grow fiercer than ever.
- We regard the progress of competition as the chance for our company's growth.
  - We will offer products and services with which our customers are satisfied and which encourage them to continue to select our company.
  - We are planning a new business model and the expansion of our business domains.

### □ Measures for Electric Power System Reform

- Concerning full retail liberalization in 2016, we are now reviewing our operation system required to meet liberalization and proceeding with various system developments.
- Based on the arguments for detailed system design by the government, we will properly respond to the separation of generation and transmission, which is under consideration for enforcement in April 2020.

### □ Measures for a Competitive Environment

- Offer a new rate menu and attractive service to encourage customers to continue to choose our company
  - ✓ We will diversify our rate menu by utilizing smart meters, etc. which make us possible to meet customers' needs flexibly.
  - ✓ We discuss various business models that combine electricity with other goods and services, etc.  
[Combined sales through tie-ups with other business and a point-based service, Web service by setting up a membership system, etc.]
- Plans for new business domains
  - ✓ We are planning to expand into new business domains, such as the gas supply business and electricity sales to other areas, while also considering alliances with other companies.
- Realization of the superior power configuration in economy
  - ✓ We can enhance competitiveness through the early restart of the Tomari plant and operation of the Ishikariwan Shinko Power Plant (LNG), etc. in the near future.



## ■ Dividends

### FY2015

- We accounted an ordinary loss as it is necessary to recover the damaged net assets.



**Year-End dividends for common stock and preferred stock not paid.**

### FY2016

- Business performance cannot be forecast due to the difficulty of knowing when the Tomari Nuclear Power Plant can be restarted.



**Interim dividends and Year-End dividends for common stock and preferred stock have yet to be decided.**

### 【 Efforts for the future 】

- We will make every effort to restart the Tomari Nuclear Power Plant as soon as possible and aim at the early resumption of dividend payments, while considering future income and expenditure levels, and the financial situation.

- Financial Results and Forecasts
  - Financial Results for the Year Ended March 31, 2015

# Summary of Financial Results

## Points of Financial Results for the Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

Revenue	[Increase factors] •Rise in electricity rates, and influence of the feed-in-tariff scheme for renewable energy, etc. [Decrease factors] •Decrease in electricity sales, etc.
Expenses	[Increase factors] •Increase in fuel costs due to decrease in hydroelectric power output, and influence of the feed-in-tariff scheme for renewable energy, etc. [Decrease factors] •Decrease in electricity sales, lower fuel prices and efforts to enhance the efficiency of overall operating activities, such as measures to reduce expenses in personnel, maintenance and miscellaneous costs.

(Billion yen)

	Consolidated				Non-consolidated			
	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A) - (B)	Comparison (A) / (B) %	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A) - (B)	Comparison (A) / (B) %
Operating Revenue	692.9	630.3	62.5	109.9	663.9	604.6	59.2	109.8
Operating Income(loss)	4.7	(80.1)	84.9	—	4.5	(84.2)	88.7	—
Ordinary Income(loss)	(9.3)	(95.3)	86.0	—	(8.7)	(98.8)	90.0	—
Net Income(loss)	2.9	(62.9)	65.9	—	4.2	(64.2)	68.4	—

# Statement of Operations (Consolidated)



(Billion yen)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Comparison (A) / (B) %
Ordinary Revenues	Operating Revenues	692.9	630.3	62.5	109.9
	Electricity	662.2	603.0	59.2	109.8
	Others	30.6	27.3	3.3	112.4
	Non-operating Revenue	4.4	2.6	1.7	166.4
	Subtotal	697.4	633.0	64.3	110.2
Ordinary Expenses	Operating Expenses	688.1	710.5	(22.3)	96.9
	Electricity	660.9	685.8	(24.9)	96.4
	Others	27.2	24.6	2.5	110.4
	Non-operating Expenses	18.5	17.8	0.6	103.8
	Subtotal	706.7	728.4	(21.6)	97.0
[Operating Income(loss)]		[4.7]	[(80.1)]	[84.9]	[—]
Ordinary Income(loss)		(9.3)	(95.3)	86.0	—
Provision or reversal of reserve for fluctuation in water levels		(19.3)	2.6	(22.0)	—
Income (loss) before income taxes, minority interests in income		10.0	(97.9)	108.0	—
Income taxes		7.9	(35.2)	43.2	—
Income(loss) before minority interests		2.0	(62.7)	64.8	—
Minority interests in income (loss)		(0.8)	0.2	(1.0)	—
Net Income(loss)		2.9	(62.9)	65.9	—
(Appendix)	Comprehensive Income	(6.5)	(54.1)	47.6	—

# Electricity Sales



Total electricity sales have decreased by 2.7% compared to the previous year

Non-eligible customers	Decreased 532GWh (decreased by 3.7% compared to the previous year) [Decrease factors] • Influence of cooperative efforts to save electricity, and lower heating demand caused by temperatures higher than those of the previous year.
Eligible customers	Decreased 294 GWh (decreased by 1.8% compared to the previous year) [Decrease factors] • Influence of cooperative efforts to save electricity, falling production in industrial customers.

		(GWh)			
		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Comparison (A) / (B) %
Non-eligible customers	[Time-of-use(included in "Residential")] Residential	[2,728]	[2,755]	[(27)]	[99.0]
	Commercial and Industrial	11,236	11,595	(359)	96.9
	Subtotal	2,429	2,602	(173)	93.3
Eligible customers	Commercial	13,665	14,197	(532)	96.3
	Industrial	8,130	8,285	(155)	98.1
	Subtotal	8,015	8,154	(139)	98.3
Total		16,145	16,439	(294)	98.2
Total		29,810	30,636	(826)	97.3
Large commercial and industrial customers (included in "Eligible customers")		[4,846]	[4,951]	[(105)]	[97.9]

		(°C)												
		Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Average temperature in 2014 - 2015	actual	(0.3)	6.3	12.9	17.7	21.5	21.8	17.4	10.7	5.6	(1.8)	(2.3)	(1.3)	3.1
	year-on-year	0.0	0.7	2.6	0.9	0.1	(0.6)	(0.8)	(1.7)	(0.2)	(2.2)	2.5	2.7	3.4
	deviation	(0.3)	0.1	1.5	2.0	2.1	0.5	0.0	(0.6)	1.2	(0.4)	2.0	2.3	3.1

# Power Supply

- Stable electric power supplies have been maintained due to an increase in supply through starting commercial operation of Kyogoku Hydroelectric Power Station No.1 in October, 2014, and appropriate operation of supply facilities, etc. This was despite the unplanned suspension and output power suppression of thermal power plants, etc., in addition to the shutdown of all units at the Tomari Power Station.

[Reasons for the increase/decrease from the previous year]

(Hokkaido Electric Power)

- Hydroelectric power; Decrease in hydroelectric power output caused by the adverse impact of high value of the previous year.
- Fossil Fuel; Decrease in electricity sales, etc. despite decrease in hydroelectric power output.
- Nuclear; Shutdown of all units at the Tomari Power Station.
- (Purchased power) Increase in renewable energy, etc. despite decrease in hydroelectric power output.

(GWh)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Comparison (A) / (B) %
Hokkaido Electric Power Co., Inc.	[Water flow rate %] Hydroelectric	[97.9%] 3,394	[114.3%] 3,875	[(16.4%)] (481)	87.6
	Fossil Fuel	22,804	23,441	(637)	97.3
	[Nuclear capacity ratio %] Nuclear	[–] –	[–] –	[–] –	–
	Renewable	162	145	17	112.1
	Subtotal	26,360	27,461	(1,101)	96.0
Purchased power		6,809	6,772	37	100.5
Interchanged power		12	3	9	374.8
Power used for pumped storage		(47)	(23)	(24)	206.6
Total		33,134	34,213	(1,079)	96.8

# Statement of Operations (Non-consolidated Revenue)

(Billion yen)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Electricity Sales	Residential	286.9	267.3	19.5	<ul style="list-style-type: none"> <li>▪ Decrease in electricity sales; (15.0)</li> <li>▪ Increase in revenue due to electricity rate raise; 50.3</li> <li>▪ Surcharge for renewable energy; 9.6</li> </ul>
	Commercial and Industrial	339.3	306.3	32.9	
	Subtotal	626.3	573.7	52.5	
Others		42.6	33.9	8.7	<ul style="list-style-type: none"> <li>▪ Grant under Act on Purchase of Renewable Energy Sourced Electricity; 10.5</li> </ul>
[Operating Revenue]		[663.9]	[604.6]	[59.2]	
Ordinary Revenue		668.9	607.6	61.3	

# Statement of Operations (Non-consolidated Expenses and Income)

(Billion yen)

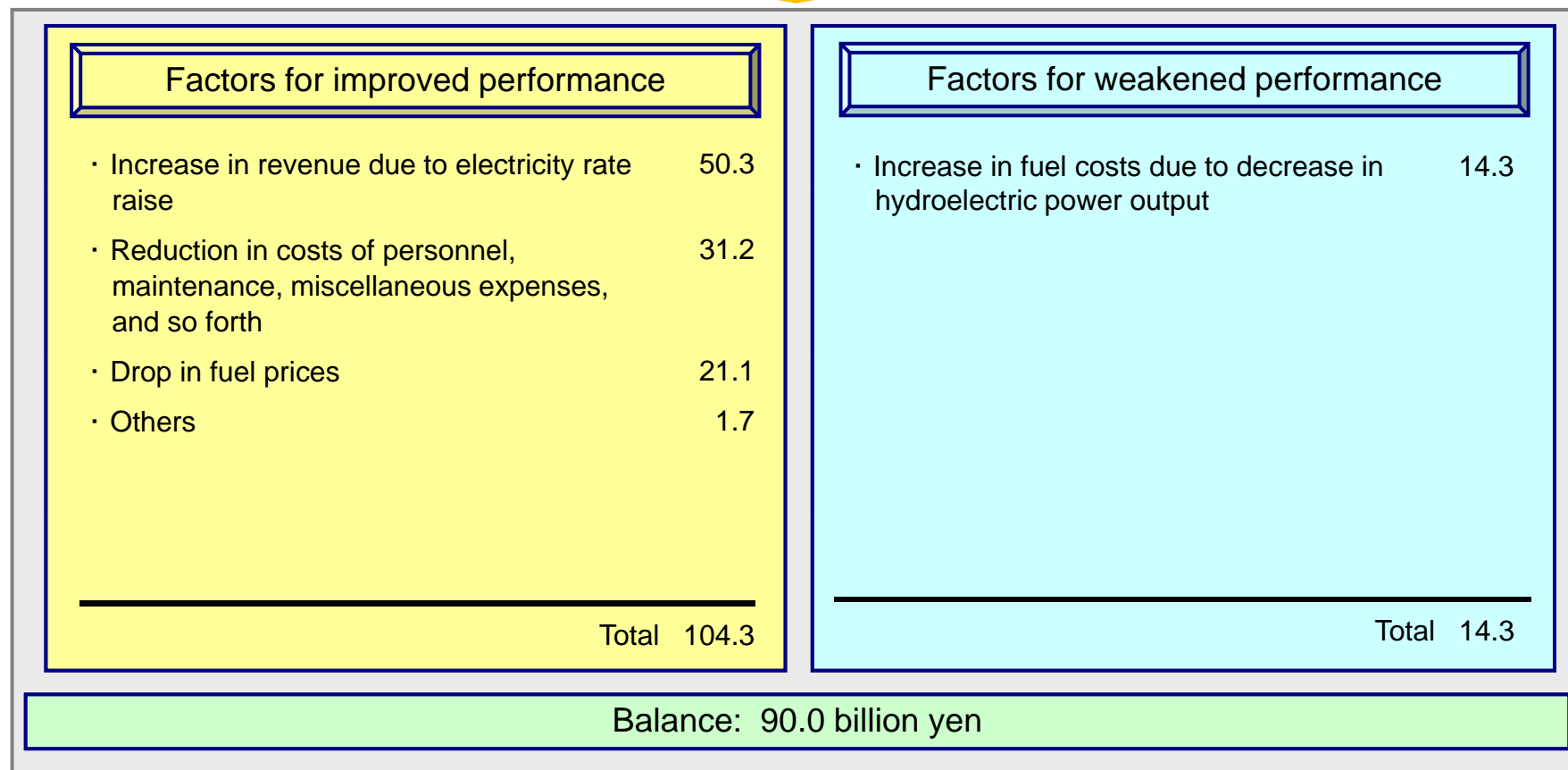
	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Personnel	45.1	53.5	(8.3)	<ul style="list-style-type: none"> <li>Decrease in salaries and allowances; (1.2)</li> <li>Decrease in retirement allowance expenses; (6.6)</li> </ul>
Fuel and Purchased Power	303.6	323.0	(19.3)	<ul style="list-style-type: none"> <li>Decrease in hydroelectric power output; 14.3</li> <li>Increase in cost of purchase of renewable energy; 10.5</li> <li>Decrease in electricity sales; (15.0)</li> <li>Drop in fuel prices; (21.1)</li> </ul>
Fuel [included in “Fuel and Purchased Power”]	[192.9]	[214.8]	[(21.9)]	
Purchased Power [included in “Fuel and Purchased Power”]	[110.7]	[108.1]	[2.5]	
Maintenance	70.7	72.9	(2.1)	<ul style="list-style-type: none"> <li>Reduction in material and equipment procurement costs, deferral of repair work, etc.; (7.5)</li> </ul>
Depreciation	87.7	89.7	(2.0)	
Interest Expenses	16.6	16.3	0.2	
Other Expenses	153.7	150.8	2.9	<ul style="list-style-type: none"> <li>Deferral of miscellaneous costs, etc.; (3.7)</li> <li>Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity; 9.6</li> </ul>
<b>Total</b>	<b>677.7</b>	<b>706.4</b>	<b>(28.7)</b>	
<b>[Operating Income(loss)]</b>	<b>[4.5]</b>	<b>[(84.2)]</b>	<b>[88.7]</b>	
<b>Ordinary Income(loss)</b>	<b>(8.7)</b>	<b>(98.8)</b>	<b>90.0</b>	
Provision or reversal of reserve for fluctuation in water levels	(19.3)	2.6	(22.0)	<ul style="list-style-type: none"> <li>Reversal of the entire reserve at the end of last fiscal year; (19.3)</li> </ul>
Income taxes	6.4	(37.2)	43.6	<ul style="list-style-type: none"> <li>Adverse impact of recording of deferred tax assets in the same term last year; 37.2</li> <li>Reversal of some deferred tax assets following amendments to the Corporation Tax Act and other statutes; 6.4</li> </ul>
<b>Net Income(loss)</b>	<b>4.2</b>	<b>(64.2)</b>	<b>68.4</b>	



# ■ Key Factors Affecting Financial Results (Non-consolidated)

Ordinary Income (loss) for the Year Ended March 31, 2014 : (98.8) billion yen

(Billion yen)



Ordinary Income (loss) for the Year Ended March 31, 2015 : (8.7) billion yen

# ■ Key Factors Affecting Financial Results (Non-consolidated)



Net Income (loss) for the Year Ended March 31, 2014 : (64.2) billion yen

(Billion yen)

Factors for improved performance		Factors for weakened performance					
· Improvement in ordinary income (loss)	90.0	· Adverse impact of recording of deferred tax assets in the last fiscal year	37.2				
· Provision or reversal of reserve for fluctuation in water levels	22.0	· Reversal of some deferred tax assets following amendments to the Corporation Tax Act and other statutes	6.4				
<table border="0"> <tr> <td rowspan="2">FY 2014: Adverse impact of provision of the reserve</td> <td>2.6</td> </tr> <tr> <td rowspan="2">FY 2015: Reversal of the entire reserve at the end of FY 2014</td> <td>19.3</td> </tr> </table>	FY 2014: Adverse impact of provision of the reserve	2.6	FY 2015: Reversal of the entire reserve at the end of FY 2014	19.3			
FY 2014: Adverse impact of provision of the reserve		2.6					
	FY 2015: Reversal of the entire reserve at the end of FY 2014	19.3					
Total 112.0		Total 43.6					
Balance: 68.4 billion yen							

Net Income (loss) for the Year Ended March 31, 2015 : 4.2 billion yen

# Comparison with Financial Outlook

## Non-consolidated

(TWh, billion yen)

	April 1, 2014 – March 31, 2015		Increase / Decrease (A) - (B)	Major factors for increase/decrease
	Actual (A)	Forecast announced in March, 2015 (B)		
[Electricity sales] Operating Revenue	[29.8] 663.9	[Approx. 30.1] Approx. 667.0	[Approx. (0.3)] Approx. (3.0)	• Decrease in electricity sales; (3.0)
Operating Income(loss)	4.5	Approx. 0.0	Approx. 4.0	• Decrease in fuel costs due to increase in hydroelectric power output; 2.0 • Further reduction in costs, etc.; 2.0
Ordinary Income(loss)	(8.7)	Approx. (13.0)	Approx. 4.0	
Net Income(loss)	4.2	Approx. 0.0	Approx. 4.0	

## Consolidated

(Billion yen)

	April 1, 2014 – March 31, 2015		Increase / Decrease (A) - (B)	Major factors for increase/decrease
	Actual (A)	Forecast announced in March, 2015 (B)		
Operating Revenue	692.9	Approx. 694.0	Approx. (1.0)	• Decrease in electricity sales; (3.0) • Increase in net external sales on consolidated subsidiaries, etc.; 2.0
Operating Income(loss)	4.7	Approx. (2.0)	Approx. 6.0	• Decrease in fuel costs due to increase in hydroelectric power output; 2.0 • Further reduction in costs; 2.0 • Reduction in miscellaneous expenses by consolidated subsidiaries, etc.; 2.0
Ordinary Income(loss)	(9.3)	Approx. (16.0)	Approx. 6.0	
Net Income(loss)	2.9	Approx. (3.0)	Approx. 6.0	

## Balance Sheets (Consolidated/Non-consolidated)

(Billion yen)

		As of March 31, 2015 (A)	As of March 31, 2014(B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease (non-consolidated)
Assets	Consolidated	1,815.6	1,782.7	32.8	<ul style="list-style-type: none"> <li>•Decrease in property of Electric utility plant caused by depreciation; (87.7)</li> <li>•Capital expenditure; 118.4</li> </ul>
	Non-consolidated	1,749.6	1,719.8	29.7	
Liabilities	Consolidated	1,627.2	1,636.0	(8.7)	<ul style="list-style-type: none"> <li>•Reversal of the entire reserve for fluctuation in water levels at the end of the last fiscal year; (19.3)</li> </ul>
	Non-consolidated	1,602.1	1,626.9	(24.8)	
Net Assets	Consolidated	178.0	135.1	42.8	<ul style="list-style-type: none"> <li>•Issuance of preferred stock; 50.0</li> <li>•Posting a net income; 4.2</li> </ul>
	Non-consolidated	147.5	92.9	54.5	

Note: Consolidated data of Net Assets exclude minority shareholders' interest.

Shareholders' Equity Ratio (%)	Consolidated	9.8	7.6	2.2
	Non-consolidated	8.4	5.4	3.0
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	1,298.1	1,296.1	1.9
	Non-consolidated	1,296.0	1,296.5	(0.5)

# Consolidated Cash Flows

(Billion yen)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A)-(B)
<b>Operating Activities</b>	94.3	13.9	80.4
Income(loss) before income taxes [included in “Operating Activities”]	[10.0]	[(97.9)]	[108.0]
Depreciation and amortization [included in “Operating Activities”]	[93.9]	[96.3]	[(2.3)]
Increase (decrease) in reserve for fluctuation in water levels [included in “Operating Activities”]	[(19.3)]	[2.6]	[(22.0)]
<b>Investing Activities</b>	(114.1)	(130.4)	16.3
Purchase of property, plant and equipment [included in “Investing Activities”]	[(121.3)]	[(134.3)]	[12.9]
Collection of investment and loans receivable [included in “Investing Activities”]	[6.0]	[3.9]	[2.1]
<b>Net CF</b>	<b>(19.8)</b>	<b>(116.5)</b>	<b>96.7</b>
<b>Financing Activities</b>	50.7	160.2	(109.5)
Increase(Decrease) in Interest-bearing Debts [included in “Financing Activities”]	[1.9]	[161.3]	[(159.4)]
Proceeds from issuance of new shares [included in “Financing Activities”]	[49.7]	[—]	[49.7]
<b>Net increase(decrease) in Cash &amp; Cash Equivalents</b>	<b>30.9</b>	<b>43.7</b>	<b>(12.7)</b>



- Forecasts of Financial Results  
for the Year Ending March 31, 2016

# Forecasts of Financial Results for the Year Ending March 31, 2016 (Consolidated/Non-consolidated)



## Operating revenue, electricity sales

(Billion yen, TWh)

		April 1, 2015 – March 31, 2016 Forecast (A)	April 1, 2014 – March 31, 2015 (B)	Increase / Decrease (A) - (B)
Operating revenue	Consolidated	Approx. 766.0	692.9	Approx. 73.0
	Non-consolidated	Approx. 738.0	663.9	Approx. 74.0
[Comparison to last fiscal year] Electricity sales		[Approx. 2.4%] Approx. 30.5	29.8	Approx. 0.7

### Key Factors

Foreign Exchange Rate (yen/\$)	Approx. 120	110	Approx. 10
CIF Crude Oil Price (\$/barrel)	Approx. 60	90.4	Approx. (30)

## Operating income (loss), Ordinary income (loss), Net income (loss)

- The forecasts for consolidated and non-consolidated results of operating income (loss), ordinary income (loss) and net income (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.

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

## Dividends

- The forecasts of cash dividends for the 1st half and full year ending March 31, 2016, have yet to be determined as regards common stock as well as preferred stock as we cannot forecast the financial results for the fiscal year at this point.

## ■ Appendix

### [ Financial Results ]

<input type="checkbox"/> Electricity Sales .....	25
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# Financial Results - Electricity Sales

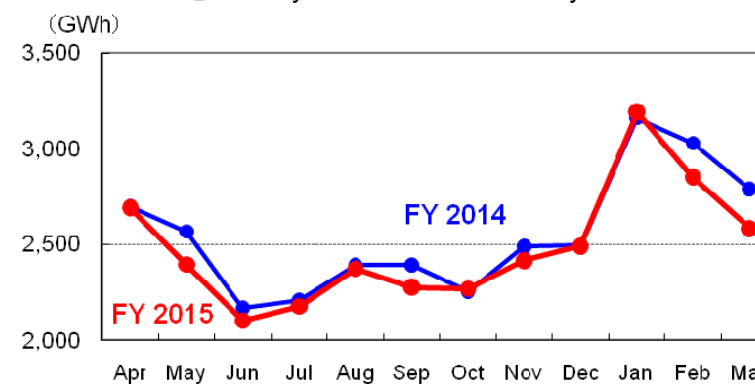
(GWh)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Comparison with the Results of the previous Year	
			Increase / Decrease (A) - (B)	Rate of change (A) / (B)
April	2,689	2,695	(6)	99.8
May	2,395	2,566	(171)	93.3
June	2,104	2,169	(65)	97.0
1Q	7,188	7,430	(242)	96.7
July	2,178	2,208	(30)	98.6
August	2,371	2,393	(22)	99.1
September	2,277	2,392	(115)	95.2
2Q	6,826	6,993	(167)	97.6
1 <sup>st</sup> half	14,014	14,423	(409)	97.2
October	2,269	2,255	14	100.6
November	2,416	2,488	(72)	97.1
December	2,490	2,493	(3)	99.9
3Q	7,175	7,236	(61)	99.2
January	3,191	3,161	30	100.9
February	2,849	3,029	(180)	94.1
March	2,581	2,787	(206)	92.6
4Q	8,621	8,977	(356)	96.0
2 <sup>nd</sup> half	15,796	16,213	(417)	97.4
Total	29,810	30,636	(826)	97.3

## Electricity sales for the year ended March 31, 2015.

Total electricity sales have decreased compared to the previous year because of Influence of cooperative efforts to save electricity, decrease in heating demand due to the higher temperature in winter than the previous year, and falling production in industrial customers, etc.

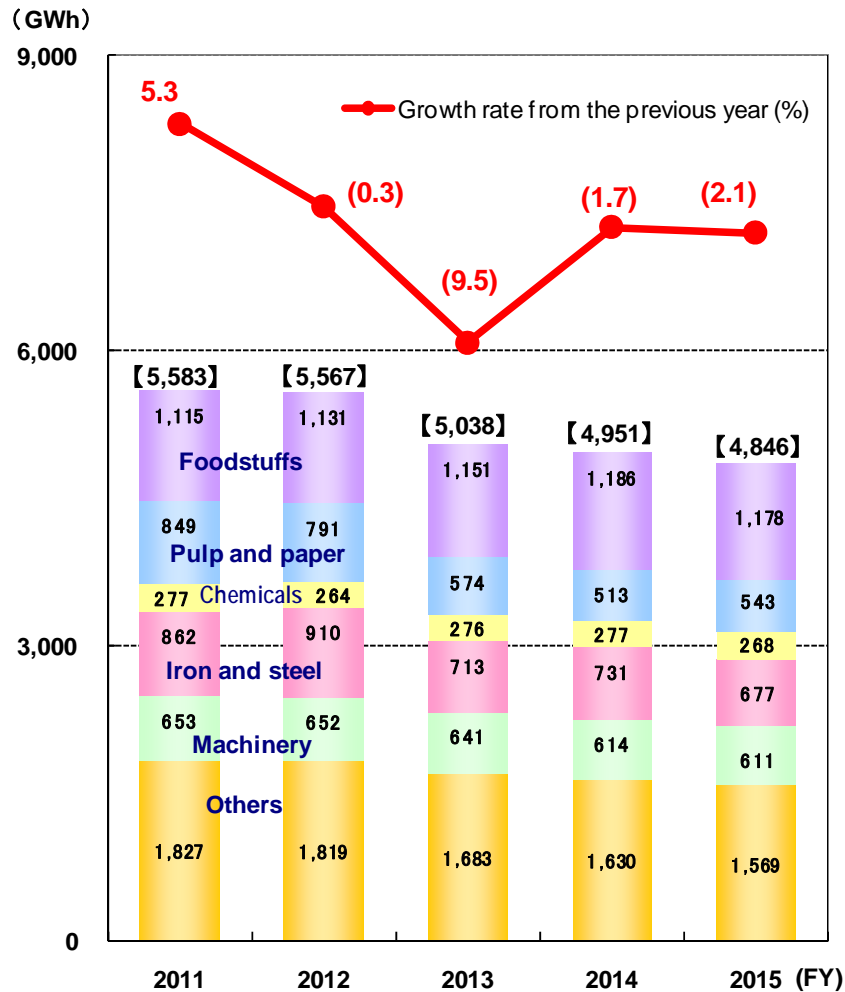
【Monthly transition of electricity sales】



# Financial Results - Large Industrial Electricity Sales



## Large Industrial Electricity Sales



## Details of FY 2015 (April 2014 - March 2015)

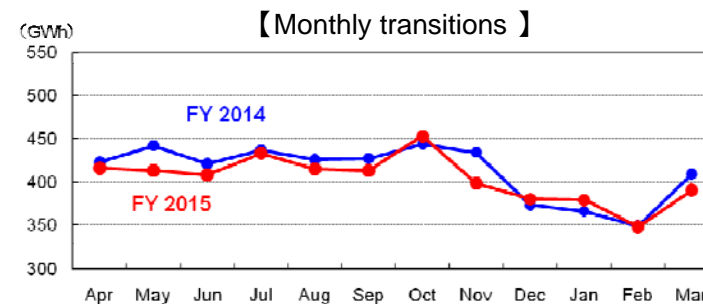
[Composition of large industrial electricity sales by sector and growth rate from the previous year]

- Electricity demand decreased compared to the previous year due to falling production in the iron and steel industries despite increase in electricity sales by decrease in use of private power generation facilities in the pulp and paper industries, etc.

	Growth rate from the previous year (%)	Composition (%)	(Reference) Nationwide composition (%)
Foodstuffs	(0.7)	24.3	6.8
Pulp and Paper	5.7	11.2	3.1
Chemicals	(3.3)	5.5	9.9
Iron and Steel	(7.4)	14.0	13.9
Machinery	(0.4)	12.6	26.0
Others	(3.7)	32.4	40.3
Total	(2.1)	100.0	100.0

## [Monthly transitions] Growth rate from the same term of the previous year

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
(Reference)	(1.7)	(6.5)	(3.1)	(0.8)	(2.7)	(3.3)	2.0	(8.3)	1.8	3.5	(0.5)	(4.4)
Breakdown by major industries (recent 6 months)	Foodstuffs	(3.0)	(1.8)	1.8	2.6	2.5	0.7					
	Pulp and paper	(3.1)	21.6	34.2	47.4	14.6	0.3					
	Chemicals	11.2	(3.6)	(9.7)	(5.2)	(13.2)	(14.0)					
	Iron and steel	18.8	(36.0)	(3.5)	15.7	5.4	(15.6)					
	Machinery	(0.7)	(0.2)	2.3	0.7	(2.9)	3.7					



## Financial Results - Expense breakdown (Non-consolidated)

### Personnel

(Billion yen)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A)-(B)	Major factors for increase/decrease
Personnel	45.1	53.5	(8.3)	<ul style="list-style-type: none"> <li>Decrease in salaries and allowances; (1.2)</li> <li>Decrease in retirement allowance expenses; (6.6)</li> </ul>

### 【Amortization of actual gains and losses】

\*Actual gains and losses are being amortized in the following 5 years in which the gains or losses are recognized by the straight-line method.

(Billion yen)

FY of accrual of the income	Amount accrued	Amortization of the previous year	April 1, 2014 – March 31, 2015		
			Amortization	Unamortized Balance	Ending FY [remaining year]
2009	4.9	1.0	—	—	—
2010	(6.7)	(1.3)	(1.3)	—	—
2011	(1.8)	(0.4)	(0.4)	(0.4)	2016 [1 year]
2012	(2.1)	(0.4)	(0.4)	(0.8)	2017 [2 years]
2013	(8.9)	(1.8)	(1.8)	(5.3)	2018 [3 years]
2014	(12.8)	—	(2.6)	(10.2)	2019 [4 years]
2015	6.9	—	—	6.9	2020 [5 years]
Total		(2.9)	(6.4)	(9.8)	

## Financial Results - Expense breakdown (Non-consolidated)

### Fuel and Purchased Power

(Billion yen)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Fuel and Purchased Power		303.6	323.0	(19.3)	<ul style="list-style-type: none"> <li>Decrease in hydroelectric power output; 14.3</li> <li>Increase in cost of purchase of renewable energy; 10.5</li> <li>Decrease in electricity sales; (15.0)</li> <li>Drop in fuel prices; (21.1)</li> </ul>
Break down	Fuel	192.9	214.8	(21.9)	
	Purchased Power	110.7	108.1	2.5	

### Key Factors

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	110	100	10
CIF Crude Oil Price (\$/barrel)	90.4	110.0	(19.6)
CIF Coal Price (\$/t)	92.6	107.9	(15.3)

## Financial Results - Expense breakdown (Non-consolidated)

### Maintenance

(Billion yen)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Maintenance		70.7	72.9	(2.1)	<ul style="list-style-type: none"> <li>Reduction in material and equipment procurement costs, deferral of repair work, etc.; (7.5)</li> <li>Increase in costs for periodic inspection of overseas coal-fired thermal power generation facilities; 3.4</li> </ul>
Break down	Generation	37.6	36.7	0.8	
	Power- distribution	31.6	34.5	(2.9)	
	Others	1.4	1.6	(0.1)	

### Depreciation

(Billion yen)

		April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Depreciation		87.7	89.7	(2.0)	<ul style="list-style-type: none"> <li>Fixed percentage effect; (9.8)                             <ul style="list-style-type: none"> <li>Tomari Nuclear Power Station Unit 3; (3.3) (included in "Fixed percentage effect")</li> </ul> </li> <li>New acquisition of property, etc.; 7.8                             <ul style="list-style-type: none"> <li>Trial operation of Kyogoku Power Station Unit 1; 5.1 (included in "New acquisition of property")</li> </ul> </li> </ul>
Break down	Generation	51.3	53.2	(1.8)	
	Power- distribution	31.1	31.6	(0.5)	
	Others	5.3	4.9	0.3	

## ■ Financial Results - Expense breakdown (Non-consolidated)

### Interest Expenses

(Billion yen)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
[Interest(on average)%] Interest Expenses	[1.28] 16.6	[1.33] 16.3	[(0.05)] 0.2	

### Other Expenses

(Billion yen)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase / Decrease (A) - (B)	Major factors for increase/decrease
Other Expenses	153.7	150.8	2.9	<ul style="list-style-type: none"> <li>• Deferral of miscellaneous costs, etc.; (3.7)</li> <li>• Increase in levy under Act on Purchase of Renewable Energy Sourced Electricity; 9.6</li> </ul>

## Financial Results - Key Factors and Sensitivity Factors

### Key Factors

	April 1, 2013 – March 31, 2014 (A)	April 1, 2014 - March 31, 2015	
		Actual (B)	Increase / Decrease (B) - (A)
Foreign Exchange Rate [yen/\$]	100	110	10
CIF Crude Oil Price [\$/barrel]	110.0	90.4	(19.6)
Water Flow Rate [%]	114.3	97.9	(16.4)
Nuclear Capacity Ratio [%]	—	—	—
Interest(on average) [%]	1.33	1.28	(0.05)

### Sensitivity Factors

(Billion yen)

	April 1, 2013 – March 31, 2014 (A)	April 1, 2014 - March 31, 2015	
		Actual (B)	Increase / Decrease (B) - (A)
Foreign Exchange Rate [1yen/\$]	2.1	1.6	(0.5)
CIF Crude Oil Price [1\$/barrel]	1.4	1.5	0.1
Water Flow Rate [1%]	0.6	0.5	(0.1)
Interest [1%]	3.2	3.2	0.0

## Financial Results - Segment Information

(Billion yen)

		Reportable segment	Other	Total	Adjustments	Consolidated total
		Electric				
Operating Revenue	April 1, 2014 - March 31, 2015 (A)	663.3	115.9	779.3	(86.3)	692.9
	April 1, 2013 - March 31, 2014 (B)	604.1	124.1	728.2	(97.9)	630.3
	Increase / Decrease (A) - (B)	59.2	(8.2)	51.0	11.5	62.5
Operating Income (loss)	April 1, 2014 - March 31, 2015 (A)	4.2	0.0	4.2	0.4	4.7
	April 1, 2013 - March 31, 2014 (B)	(84.3)	3.5	(80.8)	0.6	(80.1)
	Increase / Decrease (A) - (B)	88.5	(3.4)	85.1	(0.1)	84.9

Electric	Supply of electricity
Other	Electric/telecommunications works, overall management of buildings, civil engineering and construction, periodic inspection/maintenance/repair works at the power plant, etc.



# Financial Results - Consolidated Statements of Comprehensive Income



## Consolidated Statements of Comprehensive Income

(Billion yen)

	April 1, 2014 – March 31, 2015 (A)	April 1, 2013 – March 31, 2014 (B)	Increase/ Decrease (A)-(B)
Income(loss) before minority interests	2.0	(62.7)	64.8
Other Comprehensive Income	(8.6)	8.5	(17.1)
Net unrealized holding gain(loss) on available-for-sale securities [included in "Other Comprehensive Income"]	[1.2]	[2.0]	[(0.7)]
Remeasurements of defined benefit plans, net of tax [included in "Other Comprehensive Income"]	[(9.9)]	[6.5]	[(16.4)]
Comprehensive Income	(6.5)	(54.1)	47.6
Comprehensive income attributable to owners of the parent [included in "Comprehensive Income"]	[(5.8)]	[(54.5)]	[48.7]
Comprehensive income attributable to minority interests [included in "Comprehensive Income"]	[(0.7)]	[0.3]	[(1.0)]

This material is compiled based on data available as of May 14, 2015. The company makes no guarantee as to the reliability and integrity of such information, as this is not intended to serve as disclosure material as stipulated by the Financial Instruments and Exchange Law of Japan. Projections concerning future performance in this material make no guarantee as to the future performance and contain risk and uncertainty. Please note that future performance can change according to the change of preconditions concerning the management environment. The information herein is for the purpose of disclosure of operating information. None of the information is intended to solicit or induce investors to invest in our securities. Those wishing to use this material should do so at their own judgment and be sure to verify the information obtained from other sources. Our company assumes no responsibility for any damages resulting from the use of this material.

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