

**Financial Release for the Six Months Ended September 30, 2011**  
**[Japanese Standards] (Consolidated)**

October 27, 2011

**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 10, 2011

Commencement of payment of interim dividend: November 30, 2011

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, 2011 – September 30, 2011)**

**(1) Consolidated Business Results**

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2011–September 30, 2011	303,273	12.9	18,609	(15.5)	12,141	(22.1)	5,046	42.7
April 1, 2010–September 30, 2010	268,622	4.3	22,019	23.5	15,577	47.7	3,537	(0.6)

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

Reference: Comprehensive income: April 1, 2011 – September 30, 2011 3,109 million yen [29.9 %]

April 1, 2010 – September 30, 2010 2,393 million yen [ %]

	Net Income per Share (primary)	Net Income per Share (fully diluted)
	Yen	Yen
April 1, 2011–September 30, 2011	24.55	-
April 1, 2010–September 30, 2010	17.10	-

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
As of September 30, 2011	1,653,467	408,570	24.1
As of March 31, 2011	1,641,561	410,741	24.4

Reference: Shareholders' Equity: As of September 30, 2011 397,900 million yen As of March 31, 2011 399,969 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, 2010 – March 31, 2011	-	25.00	-	25.00	50.00
April 1, 2011 – March 31, 2012	-	25.00			
April 1, 2011 – March 31, 2012 (Forecast)			-	25.00	50.00

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

**III. Forecasts of Consolidated Results for the Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)**

The forecasts of consolidated results of operating revenue, operating income, ordinary income and net income, for the year ending March 31, 2012, that are unable to be assessed appropriately, have yet to be determined at this point. These forecasts will be promptly released as soon as they are determined. See page 4 for the reasons.

#### **IV. Others**

- (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: None
  - 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, 2011: 215,291,912                      As of March 31, 2011: 215,291,912
  - b. Number of treasury stock:  
As of September 30, 2011: 9,708,332                      As of March 31, 2011: 9,705,055
  - c. Average number of shares over period (total for quarter):  
April 1, 2011 - September 30, 2011: 205,585,159              April 1, 2010 – September 30, 2010: 206,899,492

#### **(Reference)**

##### ***Forecasts of Non-consolidated Results for the Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)***

The forecasts of non-consolidated results of operating revenue, operating income, ordinary income and net income, for the year ending March 31, 2012, that are unable to be assessed appropriately, have yet to be determined at this point. These forecasts will be promptly released as soon as they are determined. See page 4 for the reasons.

**Results of Production and Sales [Electric Utility Business]**

1. Sales

**Electricity Sales**

(GWh)

	April 1, 2011– September 30, 2011 (A)	April 1, 2010– September 30, 2010 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2010 – March 31, 2011
Non-eligible customers					
Residential	5,407	5,533	(126)	97.7	12,124
Commercial and industrial	887	929	(42)	95.6	2,507
Subtotal	6,294	6,462	(168)	97.4	14,631
Eligible customers	8,571	8,894	(323)	96.4	17,671
Total	14,865	15,356	(491)	96.8	32,302

2. Production

**Power Supply**

(GWh)

	April 1, 2011 – September 30, 2011 (A)	April 1, 2010 – September 30, 2010 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2010– March 31, 2011
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[117.4]	[120.0]	[(2.6)]		[112.9]
Hydroelectric	2,532	2,616	(84)	96.8	3,858
Fossil fuel	7,675	4,474	3,201	171.5	12,681
[Nuclear capacity ratio %]	[71.7]	[92.1]	[(20.4)]		[89.7]
Nuclear	6,514	8,378	(1,864)	77.8	16,258
Renewable	30	48	(18)	63.8	101
Subtotal	16,751	15,516	1,235	108.0	32,898
Purchased power	2,234	1,542	692	144.9	3,797
Interchange power	(2,304)	(32)	(2,272)	7,154.1	(258)
Power used for pumped storage	(39)	(92)	53	42.0	(172)
Total	16,642	16,934	(292)	98.3	36,265

Note : Amount of power generated from consolidated subsidiaries, Hokkaido Power Engineering and HOKUDEN ECO-ENERGY, is included in purchased power.

## **Forecasts of Consolidated Results for the Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)**

HEPCO received an instruction of "Comprehensive Evaluation of Nuclear Power Reactor Facilities" from Nuclear and Industrial Safety Agency of Ministry of Economy, which will be implemented properly. Therefore, the schedule of restart of the Tomari Nuclear Power Plant Unit 1 and 2 after their periodic inspections is unable to be determined. Consequently, the income of interchanged power to Honshu and the costs of additional fossil fuel consumption are yet to be predicted appropriately. By such factors, forecasts of consolidated and non-consolidated results of operating revenue, operating income, ordinary income and net income, for the year ending March 31, 2012, have yet to be determined at this point.

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

Meanwhile, HEPCO will make a maximum support of providing interchanged power to Honshu, as long as stable supply of electricity is secured in Hokkaido area.

Electricity sales for the first half of the year (April 1, 2011 - September 30, 2011) declined from the same term of the previous year due to the growing consciousness of energy conservation in commercial use and the reduction of production in industrial use triggered by the Great East Japan Earthquake.

On the other hand, electricity sales of the second half of the year (October 1, 2011 - March 31, 2012) are expected to increase compared with the same term of the previous year, due to the rebound from the drop in heating demand last year attributed to high temperature in winter and the increase in industrial use after recovery of supply chain etc., while the consciousness of energy conservation in commercial use is still expected.

By such factors, electricity sales for the year ending March 31, 2012 are estimated to be 32.1TWh.

There is no revision to the forecast of the year-ended cash dividend of 25 yen per share, which is the same amount as the mid-term, under the principle of maintaining a stable level of dividends.

### Electricity Sales (April 1, 2011 – March 31, 2012)

	April 1, 2011 – September 30, 2011	October 1, 2011 – March 31, 2012	April 1, 2011 – March 31, 2012
[Increase/decrease compared with the previous term]	[(3.2)%]	[Approx. 1.5%]	[Approx. (0.7)%]
Electricity Sales	14.9 TWh	Approx. 17.2 TWh	Approx. 32.1 TWh

**Consolidated Balance Sheets**

(Million yen)

Item	As of March 31, 2011 (A)	As of September 30, 2011 (B)
<b>Assets</b>		
Noncurrent assets	1,532,382	1,520,157
Electric utility plant and equipment	1,098,443	1,066,734
Hydroelectric power production facilities	113,585	110,697
Thermal power production facilities	100,880	94,719
Nuclear power production facilities	315,314	297,200
Transmission facilities	181,039	177,875
Transformation facilities	80,728	79,814
Distribution facilities	265,455	265,322
General facilities	38,720	37,437
Other electric utility plant and equipment	2,719	3,666
Other noncurrent assets	47,036	46,251
Construction in progress	115,336	133,306
Construction in progress	115,197	132,805
Retirement in progress	139	500
Nuclear fuel	84,585	91,606
Loaded nuclear fuel	17,775	17,184
Nuclear fuel in processing	66,809	74,422
Investments and other assets	186,981	182,259
Long-term investments	53,617	49,712
Deferred tax assets	51,838	52,864
Other	81,635	79,800
Allowance for doubtful accounts	(111)	(118)
Current assets	109,178	133,309
Cash and deposits	20,956	36,554
Notes and accounts receivable-trade	36,865	35,789
Inventories	35,174	40,986
Deferred tax assets	9,849	10,036
Other	7,000	10,634
Allowance for doubtful accounts	(667)	(692)
<b>Total</b>	<b>1,641,561</b>	<b>1,653,467</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Noncurrent liabilities	986,859	1,013,412
Bonds payable	569,121	569,122
Long-term loans payable	194,100	223,890
Provision for retirement benefits	59,202	54,900
Provision for reprocessing of irradiated nuclear fuel	70,873	70,653
Provision for preparation of the reprocessing of irradiated nuclear fuel	7,179	7,682
Reserve for loss on liquidation of affiliates	3,204	3,245
Asset retirement obligations	77,636	78,529
Other	5,541	5,388
Current liabilities	233,498	216,884
Current portion of noncurrent liabilities	77,957	43,434
Short-term loans payable	48,000	50,200
Commercial papers	19,000	29,000
Notes and accounts payable-trade	29,074	28,473
Accrued taxes	14,495	15,764
Other	44,970	50,011
Reserves under the special laws	10,461	14,600
Reserve for fluctuation in water levels	10,461	14,600
<b>Total Liabilities</b>	<b>1,230,820</b>	<b>1,244,897</b>
<b>Net assets</b>		
Shareholders' equity	397,286	397,188
Capital stock	114,291	114,291
Capital surplus	21,174	21,174
Retained earnings	279,961	279,865
Treasury stock	(18,141)	(18,143)
Valuation and translation adjustments	2,683	711
Valuation difference on available-for-sale securities	2,683	711
Minority interests	10,771	10,669
<b>Total Net Assets</b>	<b>410,741</b>	<b>408,570</b>
<b>Total</b>	<b>1,641,561</b>	<b>1,653,467</b>

**Consolidated Statements of Income**

(Million yen)

Item	April 1, 2010– September 30, 2010	April 1, 2011– September 30, 2011
<b>Operating Revenue</b>	268,622	303,273
Electric utility operating revenue	259,382	293,936
Other business operating revenue	9,239	9,337
<b>Operating Expenses</b>	246,603	284,664
Electric utility operating expenses	238,542	276,553
Other business operating expenses	8,060	8,110
<b>Operating Income</b>	22,019	18,609
<b>Non-operating Income</b>	1,576	1,902
Dividends income	209	212
Interest income	408	534
Foreign exchange gains	115	417
Equity in earnings of affiliates	264	222
Other	579	516
<b>Non-operating Expenses</b>	8,018	8,370
Interest expenses	7,492	7,034
Other	525	1,335
Total ordinary revenue	270,199	305,176
Total ordinary expenses	254,621	293,034
<b>Ordinary Income</b>	15,577	12,141
Provision or reversal of reserve for fluctuation in water levels	4,288	4,138
Provision of reserve for fluctuation in water levels	4,288	4,138
Extraordinary loss	4,923	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	4,923	-
Income before income taxes and minority interests in income	6,365	8,003
Income taxes-current	2,768	2,943
Income taxes-deferred	(63)	(12)
Total income taxes	2,705	2,931
Income before minority interests	3,659	5,072
Minority interests in income	122	25
<b>Net Income</b>	3,537	5,046

**Consolidated Statements of Comprehensive Income**

(Million yen)

Item	April 1, 2010– September 30, 2010	April 1, 2011– September 30, 2011
<b>Income before Minority Interests</b>	3,659	5,072
<b>Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	(1,270)	(1,961)
Deferred gains or losses on hedges	3	-
Share of other comprehensive income of associates accounted for using equity method	0	(0)
Total other comprehensive income	(1,266)	(1,962)
<b>Comprehensive Income</b>	2,393	3,109
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,248	3,074
Comprehensive income attributable to minority interests	145	34

**Consolidated Statements of Cash Flows**

(Million yen)

Account	April 1, 2010 – September 30, 2010	April 1, 2011 – September 30, 2011
<b>Net Cash Provided by (Used in) Operating Activities</b>		
Income before income taxes	6,365	8,003
Depreciation and amortization	52,387	51,002
Amortization of nuclear fuel	4,755	3,280
Decommissioning costs of nuclear power units	2,064	1,536
Loss on adjustment for changes of accounting standard for asset retirement obligations	4,923	-
Increase (decrease) in provision for retirement benefits	(5,506)	(4,302)
Increase (decrease) in reserve for fluctuation in water levels	4,288	4,138
Interest and dividends income	(617)	(746)
Interest expenses	7,492	7,034
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	(4,081)	2,306
Increase (decrease) in accrued consumption taxes	6,626	(6,314)
Other, net	(4,430)	3,094
Subtotal	74,267	69,034
Interest and dividends income received	577	732
Interest expenses paid	(7,575)	(6,972)
Income taxes paid	(985)	(983)
Net cash provided by (used in) operating activities	66,284	61,811
<b>Net Cash Provided by (Used in) Investment Activities</b>		
Purchase of noncurrent assets	(50,721)	(48,232)
Payments of investment and loans receivable	(24,206)	(5,855)
Collection of investment and loans receivable	8,824	5,985
Other, net	343	188
Net cash provided by (used in) investment activities	(65,759)	(47,913)
<b>Net Cash Provided by (Used in) Financing Activities</b>		
Proceeds from issuance of bonds	19,934	-
Redemption of bonds	(20,000)	(34,674)
Proceeds from long-term loans payable	5,000	36,200
Repayment of long-term loans payable	(16,227)	(6,255)
Increase in short-term loans payable	118,309	97,832
Decrease in short-term loans payable	(117,181)	(96,013)
Proceeds from issuance of commercial papers	33,000	125,000
Redemption of commercial papers	(31,000)	(115,000)
Cash dividends paid	(5,256)	(5,132)
Other, net	(9,476)	(256)
Net cash provided by (used in) financing activities	(22,898)	1,700
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(22,373)</b>	<b>15,598</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>39,001</b>	<b>20,956</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>16,627</b>	<b>36,554</b>

**Business Segment Information**

Six Months Ended September 30, 2010 (April 1, 2010 – September 30, 2010)

(Million yen)

	Reportable segment			Eliminations	Consolidated
	Electric utility	Other business	Total		
Sales to customers	259,382	9,239	268,622	-	268,622
Intersegment sales	779	34,634	35,414	(35,414)	-
Total operating revenue	260,162	43,874	304,036	(35,414)	268,622
Operating income	20,961	1,309	22,271	(252)	22,019

Six Months Ended September 30, 2011 (April 1, 2011 – September 30, 2011)

(Million yen)

	Reportable segment			Eliminations	Consolidated
	Electric utility	Other business	Total		
Sales to customers	293,936	9,337	303,273	-	303,273
Intersegment sales	504	32,439	32,943	(32,943)	-
Total operating revenue	294,440	41,776	336,217	(32,943)	303,273
Operating income	17,253	1,158	18,411	197	18,609

**Note:** The information shown above is an English translation of the " Financial Release for the Six Months Ended September 30, 2011" which was filed with stock exchanges (Tokyo, Osaka, Sapporo) on the date shown above.