

Summary of Consolidated Financial Release for the Nine-months Ended December 31, 2007

January 30, 2008

Hokkaido Electric Power Co., Inc.

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

Code no: 9509 Tokyo Stock Exchange (1st section)

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

I. Consolidated Results for the Nine Months (April 1, 2007 – December 31, 2007)

(1) Consolidated Business Results

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2007 – December 31, 2007	400,553	0.4	29,474	-51.9	20,547	-60.9	12,298	-62.2
April 1, 2006 – December 31, 2006	399,078	5.3	61,233	22.5	52,594	30.6	32,573	26.3
April 1, 2006 – March 31, 2007	559,580	—	73,242	—	57,296	—	34,462	—

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

	Net Income per Share (primary)	Net Income per Share (fully diluted)
	Yen	Yen
April 1, 2007 – December 31, 2007	58.37	—
April 1, 2006 – December 31, 2006	154.53	—
April 1, 2006 – March 31, 2007	163.50	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of December 31, 2007	1,534,525	461,985	29.5	2,149.37
As of December 31, 2006	1,497,358	465,996	30.5	2,168.70
As of March 31, 2007	1,503,478	467,890	30.5	2,176.76

II. Forecasts of Consolidated Results for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2007 – March 31, 2008	567,000	1.3	46,000	-37.2	31,000	-45.9	15,000	-56.5	71.19

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

(Reference) Highlight of Non-consolidated Financial Results

I. Non-consolidated Results for the Nine Months (April 1, 2007 – December 31, 2007)

(1) Non-consolidated Business Results

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2007 – December 31, 2007	387,041	0.2	26,421	-55.0	17,505	-64.7	10,188	-67.0
April 1, 2006 – December 31, 2006	386,195	5.0	58,746	28.0	49,589	35.3	30,834	32.1
April 1, 2006 – March 31, 2007	535,003	—	69,386	—	54,557	—	33,655	—

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

	Net Income per Share (primary)		Net Income per Share (fully diluted)	
	Yen	Yen	Yen	Yen
April 1, 2007 – December 31, 2007	48.35	—	—	—
April 1, 2006 – December 31, 2006	146.28	—	—	—
April 1, 2006 – March 31, 2007	159.68	—	—	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of December 31, 2007	1,454,831	425,570	29.3	2,019.83
As of December 31, 2006	1,420,854	430,981	30.3	2,044.93
As of March 31, 2007	1,428,780	433,533	30.3	2,057.25

II. Forecasts of Non-consolidated Results for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2007 – March 31, 2008	543,000	1.5	42,000	-39.5	28,000	-48.7	14,000	-58.4	66.44

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

* Forecast of consolidated and non-consolidated results are revised from the previous forecasts announced in October 30, 2007.

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

Results of Production and Sales [Electric Utility Business]

1. Sales

Electricity Sales

(GWh)

	April 1, 2007 – December 31, 2007 (A)	April 1, 2006 – December 31, 2006 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2006 – March 31, 2007
Non-eligible customers					
Residential	8,256	8,231	25	100.3	11,640
Commercial and industrial	1,353	1,340	13	100.9	2,168
Subtotal	9,609	9,571	38	100.4	13,808
Eligible customers	13,569	13,122	447	103.4	17,704
Total	23,178	22,693	485	102.1	31,512

2. Production

Power Supply

(GWh)

	April 1, 2007 – December 31, 2007 (A)	April 1, 2006 – December 31, 2006 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2006 – March 31, 2007
Hokkaido Electric Power Co., Inc.					
(Water flow rate %)	(89.6)	(104.3)	(-14.7)		(103.9)
Hydroelectric	2,493	2,938	-445	84.9	3,517
Fossil fuel	13,046	11,785	1,261	110.7	17,154
(Nuclear capacity ratio %)	(89.0)	(93.5)	(-4.5)		(93.0)
Nuclear	6,803	7,149	-346	95.2	9,437
Subtotal	22,342	21,872	470	102.1	30,108
Purchased power	3,804	3,782	22	100.6	5,241
Interchange power	30	-13	43	–	-48
Power used for pumped storage	-15	-67	52	21.6	-67
Total	26,161	25,574	587	102.3	35,234

Note: Amount of power generated from consolidated subsidiaries, Hokkaido Power Engineering and Hokkai Hydro Generation is included in purchased power.

Forecast of Consolidated Results for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Million yen)

	April 1, 2007 – March 31, 2008		
		Increase/decrease compared with the previous term	Increase/decrease compared with the forecasts announced in October, 2007
Operating Revenues	567,000	8,000	Approx. 0
Operating Income	46,000	-27,000	-7,000
Ordinary Income	31,000	-26,000	-7,000
Net Income	15,000	-20,000	-7,000

(Reference) Forecast of Non-consolidated Results for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Million yen)

	April 1, 2007 – March 31, 2008		
		Increase/decrease compared with the previous term	Increase/decrease compared with the forecasts announced in October, 2007
Operating Revenues	543,000	8,000	Approx. 0
Operating Income	42,000	-27,000	-7,000
Ordinary Income	28,000	-26,000	-7,000
Net Income	14,000	-20,000	-7,000

Key Factors (Non-consolidated)

	April 1, 2007 – March 31, 2008 (Forecast)	April 1, 2006 – March 31, 2007 (Actual)
Electricity sales	Approx. 32.4 TWh	31.5 TWh
Foreign Exchange Rate	Approx. 116 yen/\$	117 yen/\$
CIF Crude Oil Price	Approx. 78 \$/bl	63.5 \$/bl
Nuclear Capacity Ratio	Approx. 90 %	93.0 %
Sensitivity Factors		
Foreign Exchange Rate (1 yen/\$)	Approx. 1.0 billion yen	Approx. 0.8 billion yen
CIF Crude Oil Price (1 \$/bl)	Approx. 1.1 billion yen	Approx. 1.0 billion yen
Nuclear Capacity Ratio (1 %)	Approx. 1.4 billion yen	Approx. 1.0 billion yen
Interest (1 %)	Approx. 0.9 billion yen	Approx. 0.7 billion yen

Consolidated Balance Sheets

(Million yen)

Item	As of December 31, 2007 (A)	As of March 31, 2007 (B)	Increase / decrease (A) - (B)
Assets			
Property	1,423,651	1,410,889	12,762
Electric utility plant and equipment	902,423	907,167	-4,744
Hydroelectric power production facilities	130,611	135,565	-4,953
Thermal power production facilities	129,175	132,517	-3,342
Nuclear power production facilities	70,909	71,085	-175
Transmission facilities	194,848	185,641	9,207
Transformation facilities	78,700	81,564	-2,863
Distribution facilities	254,869	255,510	-640
General facilities	41,457	43,272	-1,814
Other	1,850	2,010	-159
Other property	48,939	49,629	-690
Construction in progress	272,855	256,101	16,754
Nuclear fuel	68,780	64,453	4,327
Loaded nuclear fuel	7,444	8,520	-1,076
Nuclear fuel in processing	61,336	55,932	5,403
Investments and other assets	130,651	133,537	-2,885
Long-term investments	57,088	62,493	-5,404
Deferred tax assets	51,263	49,547	1,716
Other	22,600	21,775	825
Allowance for doubtful accounts	-301	-278	-22
Current Assets	110,874	92,589	18,284
Cash	20,983	15,139	5,843
Trade notes and accounts receivables	32,690	33,514	-824
Inventories	35,679	21,399	14,279
Deferred tax assets	4,836	7,045	-2,208
Other	17,140	15,958	1,181
Allowance for doubtful accounts	-454	-467	13
Total Assets	1,534,525	1,503,478	31,046
Liabilities			
Long-Term Liabilities	879,741	844,087	35,654
Bonds	433,785	383,815	49,970
Long-term debts	240,087	251,864	-11,776
Allowance for retirement payments	90,328	95,168	-4,840
Reserve for reprocessing of irradiated nuclear fuel	72,048	73,967	-1,918
Reserve for preparation for reprocessing of irradiated nuclear fuel	2,342	1,644	697
Reserve for decommissioning costs of nuclear power units	34,991	33,462	1,529
Reserve for loss on liquidation of affiliates	3,116	—	3,116
Other	3,041	4,165	-1,123
Current Liabilities	185,083	181,662	3,421
Current maturities of long-term debt and other	40,920	36,874	4,046
Short-term borrowings	44,700	42,200	2,500
Commercial paper	25,000	7,000	18,000
Trade notes and accounts payable	27,372	24,743	2,629
Accrued income taxes	9,335	25,581	-16,245
Deferred tax liabilities	50	50	-0
Other	37,704	45,212	-7,507
Reserve for fluctuations in water level	7,714	9,838	-2,124
Total Liabilities	1,072,539	1,035,588	36,951
Net Assets			
Shareholders' Equity	440,626	442,096	-1,470
Common stock	114,291	114,291	—
Additional paid-in capital	21,174	21,174	—
Retained earnings	313,828	315,197	-1,368
Treasury stock	-8,668	-8,567	-101
Valuation and Translation Adjustment	12,238	16,620	-4,382
Unrealized gains on available-for-sale securities	12,238	16,620	-4,382
Minority Interests	9,121	9,172	-51
Total Net Assets	461,985	467,890	-5,904
Total Liabilities and Net Assets	1,534,525	1,503,478	31,046

Consolidated Statements of Income

(Million yen)

Item	April 1, 2007– December 31, 2007 (A)	April 1, 2006 – December 31, 2006 (B)	Increase/decrease (A) - (B)	April 1, 2006 – March 31, 2007
Operating Revenues and Expenses				
Operating revenues	400,553	399,078	1,475	559,580
Electric	386,133	385,414	719	533,909
Other	14,420	13,664	756	25,670
Operating expenses	371,079	337,845	33,234	486,338
Electric	358,433	326,095	32,338	463,403
Other	12,645	11,749	895	22,935
(Operating income)	(29,474)	(61,233)	(-31,758)	(73,242)
Non-operating Revenues and Expenses				
Non-operating revenues	2,432	2,649	-216	3,229
Proceed from dividends	569	403	166	413
Proceed from interests	360	243	116	369
Gain on sales of fixed asset	449	–	449	–
Equity in earnings of associated companies	–	698	-698	523
Other	1,052	1,304	-251	1,922
Non-operating expenses	11,359	11,288	71	19,174
Interest charges	10,218	10,658	-439	13,778
Equity in losses of associated companies	89	–	89	–
Other	1,051	629	421	5,396
Total ordinary revenues	402,986	401,727	1,259	562,809
Total ordinary expenses	382,439	349,133	33,305	505,512
Ordinary Income	20,547	52,594	-32,046	57,296
Provision for (reversal of) Reserve for Fluctuations in Water Level	-2,124	1,320	-3,444	1,320
Provision for reserve for fluctuations in water level	–	1,320	-1,320	1,320
Reversal of reserve for fluctuations in water level	-2,124	–	-2,124	–
Extraordinary loss	3,116	–	3,116	–
Provision for reserve for loss on liquidation of affiliates	3,116	–	3,116	–
Income before Income Taxes	19,555	51,273	-31,718	55,976
Income Taxes-Current	7,074	18,457	-11,383	25,587
Income Taxes-Deferred	-33	-88	54	-4,623
Minority Interests in Income of Consolidated Subsidiaries	216	330	-114	549
Net Income	12,298	32,573	-20,275	34,462

Non-consolidated Balance Sheets

(Million yen)

Item	As of December 31, 2007 (A)	As of March 31, 2007 (B)	Increase/decrease (A) - (B)
Assets			
Property	1,370,423	1,358,918	11,504
Electric utility plant and equipment	903,623	906,833	-3,210
Hydroelectric power production facilities	123,891	127,876	-3,984
Thermal power production facilities	127,626	130,785	-3,158
Nuclear power production facilities	71,019	71,186	-167
Internal combustion engine power production facilities	1,516	1,676	-160
Transmission facilities	197,090	187,628	9,461
Transformation facilities	79,174	82,019	-2,845
Distribution facilities	261,419	261,956	-536
General facilities	41,546	43,365	-1,819
Facilities loaned	338	338	—
Incidental business facilities	189	206	-17
Non-operating facilities	2,928	3,643	-714
Construction in progress	272,664	256,968	15,695
Nuclear fuel	68,780	64,453	4,327
Loaded nuclear fuel	7,444	8,520	-1,076
Nuclear fuel in processing	61,336	55,932	5,403
Investments and other assets	122,236	126,812	-4,576
Long-term investments	46,877	53,648	-6,771
Investments in subsidiaries and affiliated companies	18,483	18,331	152
Reserve fund for reprocessing of irradiated nuclear fuel	12,302	11,867	435
Long-term prepaid expenses	867	856	10
Deferred tax assets	43,807	42,198	1,608
Allowance for doubtful accounts	-102	-89	-12
Current Assets	84,408	69,861	14,546
Cash	14,190	8,553	5,636
Accounts receivables	27,567	25,782	1,785
Other accounts receivables	3,315	4,288	-973
Inventories	24,463	16,224	8,238
Payment in advance	—	0	-0
Prepaid expenses	505	202	302
Short-term receivables from subsidiaries and affiliated companies	437	184	252
Deferred tax assets	3,435	5,622	-2,187
Other current assets	10,940	9,461	1,478
Allowance for doubtful accounts	-447	-460	12
Total Assets	1,454,831	1,428,780	26,051
Liabilities			
Long-Term Liabilities	859,451	820,829	38,622
Bonds	433,785	383,815	49,970
Long-term debts	225,834	235,432	-9,597
Long-term accrued liabilities	—	1,863	-1,863
Allowance for retirement payments	84,771	89,530	-4,759
Reserve for reprocessing of irradiated nuclear fuel	72,048	73,967	-1,918
Reserve for preparation for reprocessing of irradiated nuclear fuel	2,342	1,644	697
Reserve for decommissioning costs of nuclear power units	34,991	33,462	1,529
Reserve for loss on liquidation of affiliates	3,657	—	3,657
Other	2,020	1,114	906
Current Liabilities	162,096	164,578	-2,482
Current maturities of long-term debt and other	37,667	33,267	4,399
Short-term borrowings	40,000	41,800	-1,800
Commercial paper	25,000	7,000	18,000
Accounts payable	17,766	15,029	2,736
Other accounts payable	6,575	4,574	2,000
Accrued expenses	9,937	21,378	-11,441
Accrued income taxes	7,981	23,409	-15,427
Deposits received	1,916	762	1,154
Short-term obligations to subsidiaries and affiliated companies	10,151	13,618	-3,467
Advances received	4,699	3,603	1,096
Reserve for bonuses to directors and corporate auditors	—	113	-113
Other current liabilities	400	21	378
Reserve for Fluctuations in Water Level	7,714	9,838	-2,124
Total Liabilities	1,029,261	995,246	34,014
Net Assets			
Shareholders' Equity	413,554	417,163	-3,609
Common stock	114,291	114,291	—
Capital surplus	21,174	21,174	—
Additional paid-in capital	21,174	21,174	—
Retained earnings	286,755	290,264	-3,508
Legal reserve	28,219	28,219	—
Other retained earnings	258,536	262,044	-3,508
Reserve for losses on overseas investment	14	14	—
Reserve for prevention of specific disaster	4	4	—
Reserve for adjustment of cost fluctuation	12,500	12,500	—
Reserve for depreciation of Tomari nuclear power plant unit 3	34,000	24,000	10,000
General reserve	173,500	162,500	11,000
Retained earnings carried forward	38,517	63,026	-24,508
Treasury stock	-8,668	-8,567	-101
Valuation and Translation Adjustment	12,015	16,370	-4,354
Unrealized gains on available-for-sale securities	12,015	16,370	-4,354
Total Net Assets	425,570	433,533	-7,963
Total Liabilities and Net Assets	1,454,831	1,428,780	26,051

Non-consolidated Statements of Income

(Million yen)

Item	April 1, 2007 – December 31, 2007 (A)	April 1, 2006 – December 31, 2006 (B)	Increase/decrease (A) - (B)	April 1, 2006 – March 31, 2007
Operating Revenues and Expenses				
Operating revenues	387,041	386,195	845	535,003
Electricity business revenues	386,754	385,991	763	534,680
Residential	176,264	177,646	-1,382	248,606
Commercial and industrial	206,865	203,250	3,615	278,112
Sold power to other utilities	284	353	-68	1,782
Sold power to other companies	238	143	94	183
Transmission revenues	127	35	91	56
Revenue from adjustment among other utilities	0	0	0	0
Other electricity revenues	2,959	4,546	-1,586	5,918
Revenues from loaned facilities	15	15	—	20
Incidental business revenues	287	204	82	323
Electrically-fitted housing facility leasing business	120	95	24	130
Leasing core wires in fiber-optic cables business	49	43	6	94
Real estate leasing business	116	65	50	98
Operating expenses	360,620	327,449	33,171	465,616
Electricity business expenses	360,404	327,252	33,152	465,329
Hydroelectric power production expenses	13,737	14,336	-599	18,418
Thermal power production expenses	123,113	88,737	34,375	129,439
Nuclear power production expenses	32,015	24,859	7,156	43,981
Internal combustion engine power production expenses	2,431	1,626	805	2,540
Purchased power from other utilities	749	144	604	175
Purchased power from other companies	37,271	32,584	4,686	47,452
Transmission expenses	26,113	27,122	-1,009	35,415
Transformation expenses	13,454	14,168	-714	18,225
Distribution expenses	44,520	45,930	-1,410	63,104
Selling expenses	23,735	23,534	201	32,647
Cost of loaned facilities	3	3	—	3
General and administrative expenses	30,028	40,557	-10,529	55,051
Promotion of power-resources development tax	8,711	9,091	-379	12,626
Enterprise tax	4,625	4,635	-10	6,356
Transferred cost of electricity for construction	-104	-81	-22	-108
Incidental business expenses	216	197	18	286
Electrically-fitted housing facility leasing business	155	136	18	194
Leasing core wires in fiber-optic cables business	31	42	-11	71
Real estate leasing business	28	17	11	20
(Operating income)	(26,421)	(58,746)	(-32,325)	(69,386)
Non-operating Revenues and Expenses				
Non-operating revenues	1,982	1,727	255	2,250
Financial revenues	943	676	266	742
Proceed from dividends	754	582	172	591
Proceed from interests	189	94	94	150
Other non-operating revenues	1,039	1,050	-11	1,508
Gain on sales of fixed asset	445	185	259	266
Others	594	864	-270	1,241
Non-operating expenses	10,898	10,884	14	17,079
Financial expenses	10,124	10,446	-322	13,468
Interest charges	9,930	10,329	-399	13,349
Bond issue expenses	194	116	77	119
Other non-operating expenses	774	438	336	3,610
Loss on sales of fixed asset	331	68	262	74
Others	442	369	73	3,536
Total ordinary revenues	389,024	387,923	1,101	537,254
Total ordinary expenses	371,519	338,334	33,185	482,696
Ordinary Income	17,505	49,589	-32,083	54,557
Provision for (reversal of) Reserve for Fluctuations in Water Level	-2,124	1,320	-3,444	1,320
Provision for reserve for fluctuations in water level	—	1,320	-1,320	1,320
Reversal of reserve for fluctuations in water level	-2,124	—	-2,124	—
Extraordinary loss	3,657	—	3,657	—
Provision for reserve for loss on liquidation of affiliates	3,657	—	3,657	—
Income before Income Taxes	15,972	48,269	-32,296	53,237
Income Taxes-Current	5,783	17,434	-11,651	23,677
Income Taxes-Deferred	—	—	—	-4,095
Net Income	10,188	30,834	-20,645	33,655

[Appendix]

Non-consolidated Statements of Operation

(Million yen)

	April 1, 2007 – December 31, 2007 (A)	April 1, 2006 – December 31, 2006 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2006 - March 31, 2007
Ordinary revenues					
Residential	176,264	177,646	-1,382	99.2	248,606
Commercial and industrial	206,865	203,250	3,615	101.8	278,112
(Subtotal)	(383,129)	(380,897)	(2,232)	(100.6)	(526,719)
Other	5,894	7,026	-1,131	83.9	10,534
[Sales]	[387,041]	[386,195]	[845]	[100.2]	[535,003]
Total	389,024	387,923	1,101	100.3	537,254
Ordinary expenses					
Personnel	46,608	57,657	-11,048	80.8	77,223
Fuel / purchased power	117,104	90,733	26,371	129.1	138,330
Maintenance	60,687	45,934	14,753	132.1	68,225
Depreciation	47,693	46,816	876	101.9	62,765
Interest charges	9,930	10,329	-399	96.1	13,349
Other	89,495	86,862	2,632	103.0	122,802
Total	371,519	338,334	33,185	109.8	482,696
[Operating income]	[26,421]	[58,746]	[-32,325]	[45.0]	[69,386]
Ordinary income	17,505	49,589	-32,083	35.3	54,557
Provision for (reversal of) reserve for fluctuations in water level	-2,124	1,320	-3,444	—	1,320
Extraordinary loss	3,657	—	3,657	—	—
Income before income taxes	15,972	48,269	-32,296	33.1	53,237
Income taxes	5,783	17,434	-11,651	33.2	19,581
Net income	10,188	30,834	-20,645	33.0	33,655