



Financial Results for the Year Ended March 31, 2007



Hokkaido Electric Power Co., Inc.
May 9, 2007



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Financial Results for the year Ended March 31, 2007

Summary of Financial Results

■ Points of financial results; Increase in revenues / increase in income

Consolidated / Non- consolidated	Revenues	[Increase factors] Increase in electricity sales, and influence of rate adjustment due to fuel cost, etc. [Decrease factors] Rate reduction in July, 2006
	Expenses	[Increase factors] Fuel price hike, etc. [Decrease factors] High utilization of Tomari nuclear power plant, decrease in depreciation cost, etc.

(Billion yen)

	Consolidated			Non-consolidated		
	April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006(B)	(A)/(B)%	April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006(B)	(A)/(B)%
Operating Revenues	559.5	536.8	104.2	535.0	513.4	104.2
Operating Income	73.2	64.6	113.3	69.3	59.8	116.0
Ordinary Income	57.2	50.1	114.2	54.5	47.0	115.9
Net Income	34.4	32.2	106.9	33.6	30.1	111.6
ROA (Return on Assets)	4.9	4.4	0.5	4.9	4.3	0.6

Consolidated Statements of Operation



(Billion yen)

		April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006(B)	Increase/decrease (A)-(B)	Comparison (A)/(B)%
Ordinary revenues	Operating revenues	559.5	536.8	22.7	104.2
	Electricity	533.9	512.4	21.4	104.2
	Others	25.6	24.3	1.3	105.4
	Non-operating revenues	3.2	2.5	0.6	126.4
	Subtotal	562.8	539.3	23.4	104.3
Ordinary expenses	Operating expenses	486.3	472.1	14.1	103.0
	Electricity	463.4	450.5	12.8	102.9
	Others	22.9	21.6	1.2	106.0
	Non-operating expenses	19.1	17.0	2.1	112.7
	Subtotal	505.5	489.1	16.3	103.3
[Operating income]		[73.2]	[64.6]	[8.6]	[113.3]
Ordinary income		57.2	50.1	7.1	114.2
Reserve for Fluctuation in Water Level		1.3	0.1	1.2	1,281.6
Income before Income Taxes		55.9	50.0	5.9	111.8
Income taxes		20.9	17.3	3.5	120.6
Minority interests in gain of consolidated subsidiaries		0.5	0.4	0.0	122.0
Net income		34.4	32.2	2.2	106.9

Electricity Sales



- Total electricity sales have increased by 2.2% compared to the previous year
 - Despite decrease in heating demand due to higher temperature in winter, residential and commercial/industrial power demand has increased 0.4% compared with the previous year as a result of proactive sales activities fully electrically-fitted houses increased in popularity.
 - Eligible customers' demand has increased by 3.7% compared with the previous year due to the greatest ever result of switching electric power purchase from private power generations because of oil price hike in addition to large retailers opening new stores and booming production in the steel and paper/pulp industries.

(GWh)

		April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decrease (A)-(B)	Comparison (A)/(B)%
Non-eligible customers	[Time of Use is shown separately]	[1,560]	[1,427]	[133]	[109.4]
	Residential	11,640	11,541	99	100.9
	Commercial and Industrial	2,168	2,218	50	97.7
	Subtotal	13,808	13,759	49	100.4
Eligible Customers	Commercial	8,477	8,134	343	104.2
	Industrial	9,227	8,940	287	103.2
	Subtotal	17,704	17,074	630	103.7
Total		31,512	30,833	679	102.2

Power Supply



- Due to our appropriate operation of supply facilities by high utilization of Tomari nuclear power plant and so forth, we could maintain a stable power supply.

(GWh)

	April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decrease (A)-(B)	Comparison (A)/(B)%	
Hokkaido Electric Power Co., Inc.					
[Water flow rate%]	[103.9]	[100.4]	[3.5]		
Hydroelectric	3,517	3,352	165	104.9	
Thermal power	17,154	17,646	492	97.2	
[Nuclear capacity ratio %]	[93.0]	[87.5]	[5.5]		
Nuclear	9,437	8,880	557	106.3	
Subtotal	30,108	29,878	230	100.8	
Purchased power	5,241	4,881	360	107.4	
Interchanged power	48	123	75	38.8	
Power used for pumped storage	67	60	7	112.6	
Total	35,234	34,576	658	101.9	
Foreign exchange rate	yen/\$	117	113	4	—
CIF crude oil price	\$/bl	63.5	55.8	7.7	—
CIF overseas coal	\$/t	62.6	63.3	0.7	—

Statements of Income (Non-consolidated Revenues)



(Billion yen)

		April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decrease (A)-(B)	Major factors for increase/decrease	
Operating revenues	Electricity sales	Residential	248.6	243.2	5.3	<ul style="list-style-type: none"> • Effect on the rate reduction (13.1) • Increase in electricity sales (9.2) • Effect on rate adjustment due to fuel cost , etc. (23.5)
		Commercial and industrial	278.1	263.8	14.2	
		Subtotal	526.7	507.0	19.6	
	Others	8.2	6.4	1.8	• Compensation for relocation of hydro power plant (1.4)	
	Subtotal	535.0	513.4	21.5		
Non-operating revenues		2.2	2.0	0.1		
Ordinary income		537.2	515.5	21.6		

Statements of Income (Non-consolidated Expenses)



(Billion yen)

		April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decr ease (A)-(B)	Major factors for increase/decrease	
Operating expenses	Personnel	77.2	77.2	0.0		
	Power supply related	Fuel	90.7	82.5	8.1	• Increase in generation in nuclear power plant (5.0)
		Purchased Power	47.6	42.4	5.2	• Increase in electricity sales (7.2) , fuel price hike (10.6)
		Subtotal	138.3	124.9	13.3	
	Maintenance	68.2	68.7	0.5	• Increase in maintenance cost for distribution facilities (4.2) • Decrease in regular inspection cost of nuclear power plants (4.6)	
	Depreciation	62.7	67.6	4.9	• Fixed percentage depreciation effect (7.2)	
Other Expenses	119.0	115.0	4.0	• Increase in information processing cost (2.1), record of cost for preparation for reprocessing of irradiated nuclear fuel (1.6)		
Total	465.6	453.6	11.9			
Non-operating expenses		17.0	14.8	2.2	• Increase in interest payment due to repayment, etc. (1.1)	
Ordinary expenses		482.6	468.5	14.1		
Reserve for Fluctuation in Water Level		1.3	0.1	1.2	• Increase of reserve limitation due to fuel price hike	

Comparison with Financial Outlook (Non-consolidated)



(TWh, Billion yen)

	Increase/decrease compared to April 1, 2005 – March 31, 2006		Increase/decrease (A)-(B)	Major factors for increase/decrease
	April 1, 2006 – March 31, 2007 (A)	Projection announced in October, 2006 (B)		
(Electricity Sales: TWh) Operating Revenues	(0.7) 21.5	(Approx. 0.8) Approx. 23.0	(Approx. 0.1) Approx. 1.0	• Decrease in electricity sales (2.0)
Operating Expenses	11.9	Approx. 15.0	Approx. 2.0	• Decrease in fuel cost(6.0) [decrease in electricity sales, decrease in fuel price, etc.] • Increase in maintenance cost (3.0) [Increase in maintenance cost for distribution facilities]
Operating Income	9.5	Approx. 8.0	Approx. 1.0	
Non-operating Income	2.0	Approx. 1.0	Approx. 1.0	• Increase in interest payment due to repayment (0.9)
Ordinary Income	7.4	Approx. 7.0	Approx.0.0	

Balance Sheets

(Billion yen)

		April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decrease (A)-(B)	Major factors for increase/decrease
Asset	Consolidated	1,503.4	1,490.1	13.3	<ul style="list-style-type: none"> • Depreciation (62.7) • Capital Expenditure (87.6)
	Non-consolidated	1,428.7	1,415.8	12.9	
Liabilities	Consolidated	1,035.5	1,042.1	6.5	<ul style="list-style-type: none"> • Interest-bearing Debt (14.3)
	Non-consolidated	995.2	1,001.0	5.7	
Net Assets	Consolidated	458.7	439.2	19.4	<ul style="list-style-type: none"> • Dividend (10.5) • Net Income (33.6)
	Non-consolidated	433.5	414.8	18.6	

Note: Consolidated data excluding minority shareholders' interest

					Target (As of March, 2008)
Shareholders' Equity Ratio (%)	Consolidated	30.5	29.5	1.0	30% or more
	Non-consolidated	30.3	29.3	1.0	
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	723.0	740.2	17.2	720.0 billion yen or less
	Non-consolidated	699.8	714.2	14.3	700.0 billion yen or less

Consolidated Cash Flow



(Billion yen)

	April 1, 2006 – March 31, 2007 (A)	April 1, 2005 – March 31, 2006 (B)	Increase/decrease (A)-(B)	Major factors for increase/decrease
Operating Activities	119.1	111.2	7.9	<ul style="list-style-type: none"> • Decrease in depreciation (5.1) • Increase in net income before taxes (5.9) • Decrease in payment of taxes (8.0)
Investing Activities	91.1	94.6	3.5	<ul style="list-style-type: none"> • Decrease in expenditure for purchase of fixed assets (4.8)
Net CF	28.0	16.6	11.4	
Financing Activities	28.2	16.8	11.3	
(Interest-bearing Debt Outstanding)	(17.3)	(6.1)	(11.2)	<ul style="list-style-type: none"> • Increase in reduction of interest-bearing debt (11.2)
(Dividend)	(10.5)	(10.5)	(0.0)	
(Others)	(0.3)	(0.2)	(0.1)	
Increase/decrease in Cash & Cash Equivalents	0.1	0.2	0.1	



Outlook for the Year Ending in March, 2008

Outlook for the Year Ending in March, 2008



- Operating revenues: same level as the previous term's / Ordinary income: decrease (TWh, Billion yen)

		April 1, 2007 – March 31, 2008 Projection (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Comparison (A)/(B)%	
Electricity sales	Non-eligible customers	Residential	Approx. 11.9	11.6	Approx. 0.3	102.2
		Commercial & industrial	Approx. 2.2	2.2	Approx. 0.0	101.3
	Eligible customers		Approx. 18.3	17.7	Approx. 0.6	103.3
	Total		Approx. 32.4	31.5	Approx. 0.9	102.7
Consolidated	Operating Revenues		Approx. 559.0	559.5	Approx. 0.0	99.9
	Operating Income		Approx. 61.0	73.2	Approx. 12.0	83.3
	Ordinary Income		Approx. 46.0	57.2	Approx. 11.0	80.3
	Net Income		Approx. 28.0	34.4	Approx. 7.0	81.2
Non-consolidated	Operating Revenues		Approx. 535.0	535.0	Approx. 0.0	100.0
	Operating Income		Approx. 57.0	69.3	Approx. 12.0	82.1
	Ordinary Income		Approx. 43.0	54.5	Approx. 11.0	78.8
	Net Income		Approx. 27.0	33.6	Approx. 7.0	80.2

Key Factors Affecting Performance Outlook

(Billion yen)

The year ended March, 2007 Ordinary income: Consolidated 57.2 / Non-consolidated 54.5

Factors for improved performance

Increase in electricity sales	3.0
(Increase in revenues 13.0 – Increase in fuel cost 10.0)	
Decrease in retirement cost	13.0
(Amortization of actuarial difference, etc.)	

Total 16.0

Factors for weakened performance

Rate reduction	4.0
influence of rate adjustment due to fuel cost, etc.	6.0
Increase in maintenance cost (Increase in number of inspection among thermal power plants form 6 units to 7 units including full inspection 4 units (1 units in the previous term)	7.0
Increase in fuel cost due to decrease in generation from nuclear power plants	5.0
Others(Increase in fuel cost due to decrease in generation from hydro power plants 3.0 etc.)	5.0

Total 27.0

Net 11.0

The year ending March, 2008 Ordinary income: Consolidated Approx. 46.0 / Non-consolidated Approx. 43.0

Cash Flow Outlook

(Billion yen)

	April 1, 2007 – March 31, 2008 Projection (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase/decrease
Operating Activities	88.0	119.1	31.0	・ Decrease in net income before taxes, etc.
Investing Activities	96.0	91.1	5.0	
Net CF	8.0	28.0	36.0	
Financing Activities	8.0	28.2	36.0	・ Increase in interest-bearing debt, etc.
(Interest-bearing Debt Outstanding)	(22.0)	(17.3)	(39.0)	
(Dividend)	(13.0)	(10.5)	(2.0)	
(Others)	(1.0)	(0.3)	(1.0)	
Increase/decrease in Cash & Cash Equivalents	0.0	0.1	0.0	

Outlook of Management Indexes



Index		Goals of the mid-term management plan	Projection
Average of FY2006-08			
Return on Assets	Consolidated	4.5% or more	Approx. 4.4%
	Non-consolidated		
As of March 31,2008			
Shareholder's Equity Ratio	Consolidated	30% or more	Approx. 31%
	Non-consolidated		
As of March 31,2008			
Interest-bearing Debt	Consolidated	720.0 billion yen or less	Approx. 745.0 billion yen
	Non-consolidated	700.0 billion yen or less	Approx. 720.0 billion yen

Note: In this presentation, "FY (fiscal year)" refers to the period April 1 through March 31 of each year.
 e.g. FY2006 means the period from April 1, 2005 to March 31, 2006.



[Appendix]

Key Factors

■ Key Factors

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007		Projection April 1, 2007 – March 31, 2008
		Actual	Projection in October 2006	
Foreign Exchange Rate (yen/\$)	113	117	Approx. 115	Approx. 120
CIF Crude Oil Price(\$/bl)	55.8	63.5	Approx. 67	Approx. 60
Water Flow Rate(%)	100.4	103.9	Approx. 102	Approx. 100
Nuclear Capacity Ratio(%)	87.5	93.0	Approx. 90	Approx. 90

■ Sensitivity Factors

(Billion yen)

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007		Projection April 1, 2007 – March 31, 2008
		Actual	Projection in October 2006	
Foreign Exchange Rate (1yen/\$)	0.7	0.8	Approx. 0.8	Approx. 1.0
CIF Crude Oil Price(1\$/bl)	0.9	1.0	Approx. 1.0	Approx. 1.4
Water Flow Rate(1%)	0.5	0.5	Approx. 0.5	Approx. 0.5
Nuclear Capacity Ratio(1%)	0.9	1.0	Approx. 1.0	Approx. 1.1
Interest(1%)	0.8	0.7	Approx. 0.8	Approx. 0.8

Segment Information

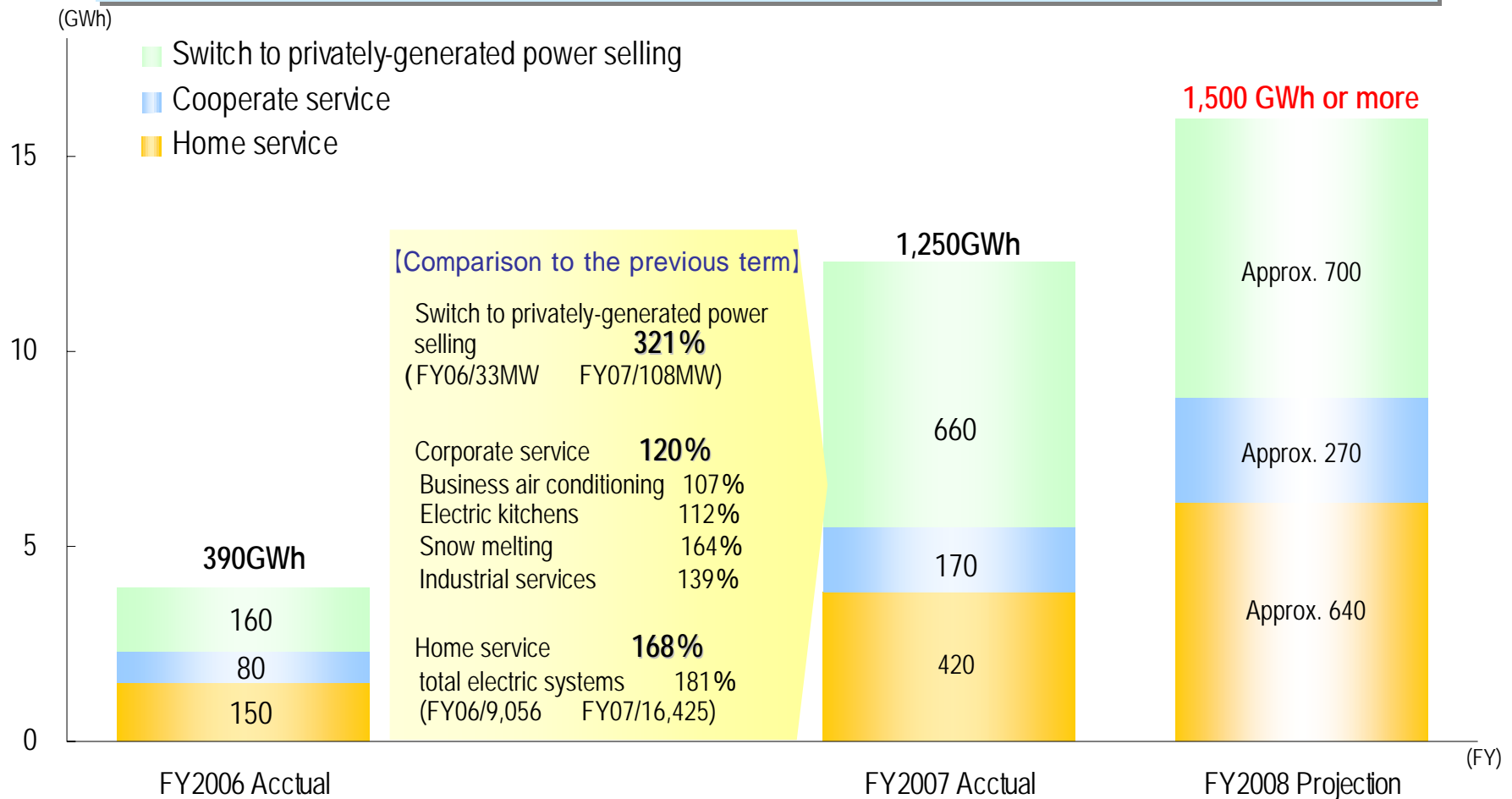


(Billion yen)

		Electric	Other	Total	Eliminations	Consolidated
Operating revenues	April 1, 2006 – March 31, 2007	534.6	94.9	629.6	70.0	559.5
	April 1, 2005 – March 31, 2006	513.2	81.3	594.5	57.7	536.8
	Increase/decrease	21.4	13.6	35.0	12.2	22.7
Operating expenses	April 1, 2006 – March 31, 2007	465.1	90.9	556.0	69.7	486.3
	April 1, 2005 – March 31, 2006	453.2	76.3	529.6	57.4	472.1
	Increase/decrease	11.8	14.5	26.4	12.2	14.1
Operating income	April 1, 2006 – March 31, 2007	69.5	4.0	73.5	0.3	73.2
	April 1, 2005 – March 31, 2006	59.9	4.9	64.9	0.3	64.6
	Increase/decrease	9.5	0.9	8.6	0.0	8.6

Sales Activities: Sales Goals & Results

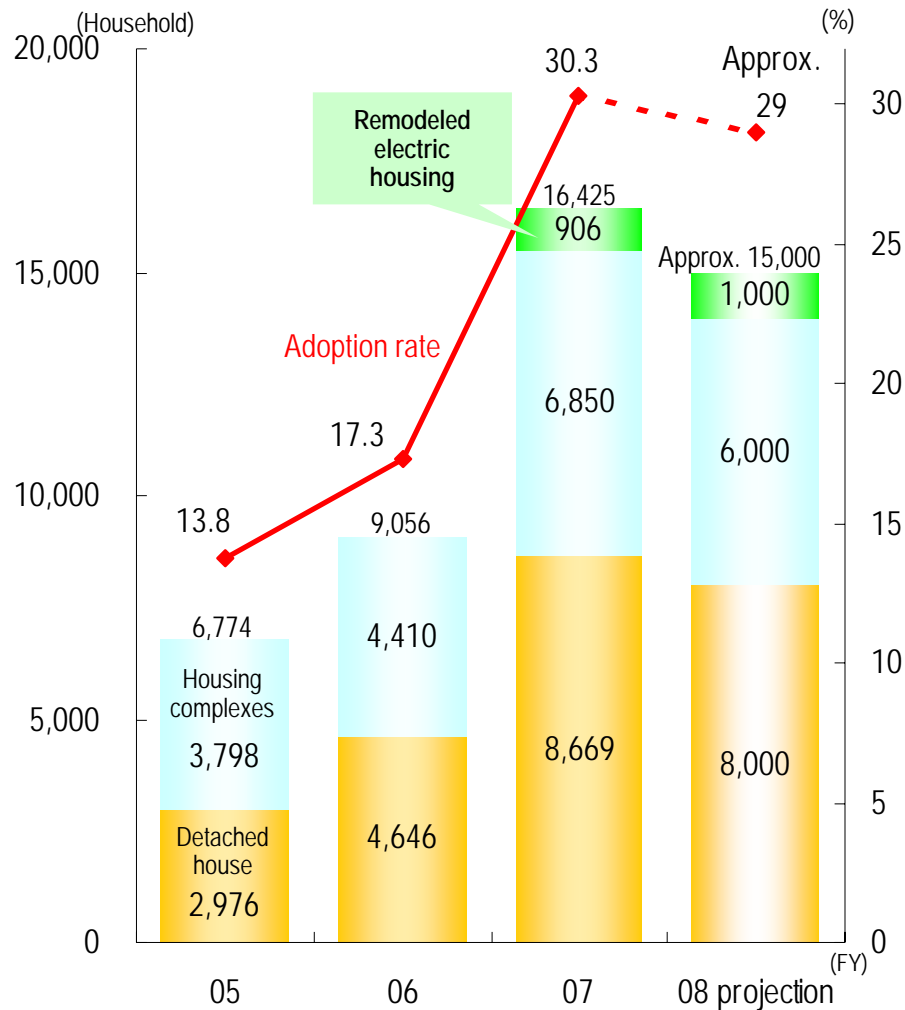
Mid-term goal: **The increase of 1,500 GWh or more** (in a three-year period of FY 2006-2008)



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e.g. FY2006 means the period from April 1, 2005 to March 31, 2006.

Sales Activities

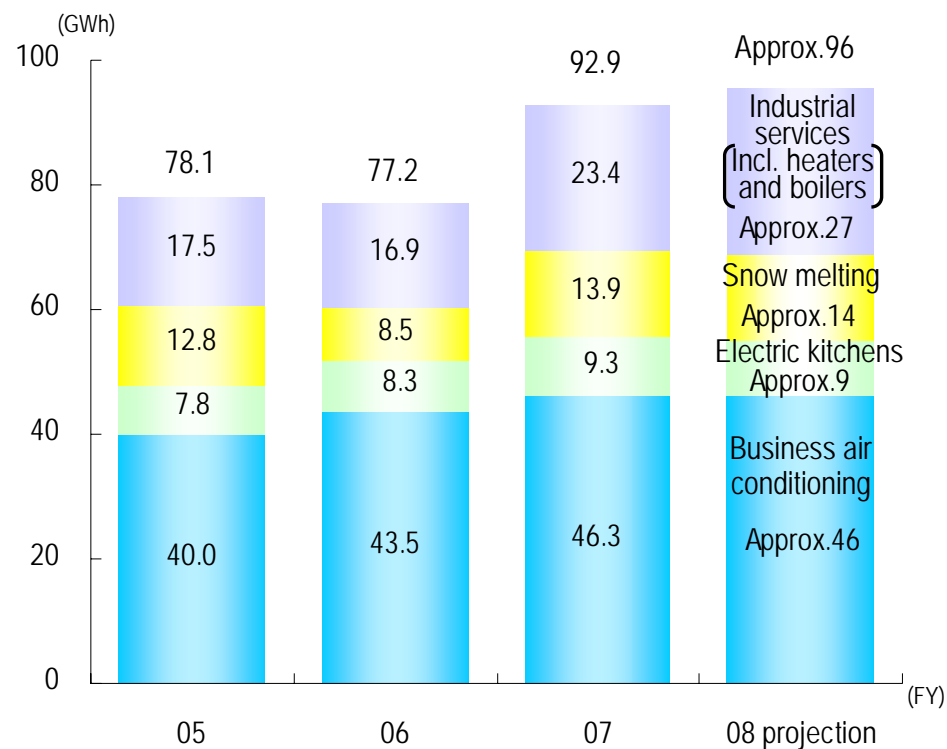
Results and projection of total electric housing



*Total electric housing in FY 2005 and 2006 include remodeled electric homes.

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e.g. FY2006 means the period from April 1, 2005 to March 31, 2006.

Results and projection of corporate services



Results on the switch to privately-generated power selling

FY06		F07		FY08 (projection)
case	MW	case	MW	MW
98	33	222	108	10

Electricity Sales

(GWh,)

	April 1, 2006 – March 31, 2007	Supply Plan	April 1, 2005 – March 31, 2006	Comparison with Supply Plan		Comparison with the Previous Year's Results		Changes in Temperature		
				Increase/ decrease	Rate of change	Increase/ decrease	Rate of change	Average temperature	Gap with the previous year	Gap with the average
April	2,715	2,658	2,673	57	102.1	42	101.6	4.5	1.1	1.3
May	2,499	2,412	2,426	87	103.6	73	103.0	12.0	2.4	0.9
June	2,292	2,247	2,258	45	102.0	34	101.5	14.9	2.2	0.5
1Q	7,506	7,317	7,357	189	102.6	149	102.0	–	–	–
July	2,345	2,300	2,320	45	101.9	25	101.1	19.6	0.7	0.1
August	2,527	2,476	2,456	51	102.0	71	102.9	23.4	0.7	2.3
September	2,627	2,503	2,555	124	105.0	72	102.8	17.8	0.2	0.8
2Q	7,499	7,279	7,331	220	103.0	168	102.3	–	–	–
First Half Year	15,005	14,596	14,688	409	102.8	317	102.2	–	–	–
October	2,480	2,407	2,425	73	103.0	55	102.2	11.3	1.3	0.4
November	2,541	2,470	2,432	71	102.9	109	104.5	5.8	0.7	1.6
December	2,667	2,602	2,572	65	102.5	95	103.7	1.0	2.2	0.5
3Q	7,688	7,479	7,429	209	102.8	259	103.5	–	–	–
January	3,110	3,013	3,132	97	103.2	22	99.3	2.5	2.6	2.1
February	2,920	2,941	2,922	21	99.3	2	99.9	2.0	1.2	2.3
March	2,789	2,690	2,662	99	103.7	127	104.8	0.3	0.4	0.8
4Q	8,819	8,644	8,716	175	102.0	103	101.2	–	–	–
Later Half Year	16,507	16,123	16,145	384	102.4	362	102.2	–	–	–
Total	31,512	30,719	30,833	793	102.6	679	102.2	–	–	–

This material is compiled based on data available as of May 8, 2007. 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 Securities 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.

For further information

IR Office

Hokkaido Electric Power Co., Inc.

2, Higashi-1, Odori, Chuo-ku, Sapporo, Hokkaido 060-8677, JAPAN

Tel: +81-11-251-4833

Fax: +81-11-251-1607

URL: <http://www.hepco.co.jp/english/>