

■ Financial Results for the Year Ended March 31, 2008

Hokkaido Electric Power Co., Inc.

May 9, 2008

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■ Summery of Financial Results

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

Revenues	[Increase factors] Increase in electricity sales, etc. [Decrease factors] Rate reduction in July, 2006, etc
Expenses	[Increase factors] Rise in fuel prices, influence of drought, and the increase in maintenance costs in thermal power stations, etc. [Decrease factors] Decrease of employee retirement benefits, etc.

(Billion yen)

	Consolidated			Non-consolidated		
	April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	(A)/(B)%	April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	(A)/(B)%
Operating Revenues	567.8	559.5	101.5	543.3	535.0	101.6
Operating Income	44.8	73.2	61.2	41.1	69.3	59.3
Ordinary Income	33.0	57.2	57.7	29.7	54.5	54.6
Net Income	17.5	34.4	50.9	15.5	33.6	46.3

Consolidated Statements of Operation



(Billion yen)

		April 1, 2007 – March 31, 2008(A)	April 1, 2006 – March 31, 2007(B)	Increase / decrease (A)-(B)	Comparison (A)/(B) %
Ordinary revenues	Operating Revenues	567.8	559.5	8.2	101.5
	Electricity	542.1	533.9	8.2	101.5
	Others	25.7	25.6	0	100.2
	Non-operating Revenues	3.5	3.2	0.2	109.2
	Subtotal	571.3	562.8	8.5	101.5
Ordinary expenses	Operating Expenses	522.9	486.3	36.6	107.5
	Electricity	499.8	463.4	36.4	107.9
	Others	23.1	22.9	0.2	100.9
	Non-operating Expenses	15.3	19.1	- 3.8	79.9
	Subtotal	538.3	505.5	32.7	106.5
(Operating income)		(44.8)	(73.2)	(- 28.3)	(61.2)
Ordinary income		33.0	57.2	- 24.2	57.7
Provision for (reversal of) Reserve for Fluctuation in Water Level		-2.2	1.3	- 3.6	—
Extraordinary loss		6.5	—	6.5	—
Income before Income Taxes		28.8	55.9	- 27.1	51.5
Income taxes		10.8	20.9	- 10.1	51.7
Minority interests in income of consolidated subsidiaries		0.4	0.5	- 0	83.8
Net income		17.5	34.4	- 16.9	50.9

Electricity Sales

Total electricity sales have increased by 3.0% compared to the previous year

Non-eligible customers	<p>Increased 280 GWh (increased by 2.0% compared to the previous year)</p> <p>[Increase factors] The expansion of the adoption of all-electric housing, the increase in demand for heating due to a lower winter temperature than the previous year, etc.</p>
Eligible customers	<p>Increased 653 GWh (increased by 3.7% compared to the previous year)</p> <p>[Increase factors] Increase in number of the large-scale retail stores, solid growth in production activities in the pulp and paper industry, the steel industry, as well as conversion from private power generation to purchase of electricity from our company as a result of rising oil prices.</p>

(GWh)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase / decrease (A)-(B)	Comparison (A)/(B) %
Non-eligible customers	(Time of Use is shown separately)				
	Residential	(1,750) 11,795	(1,560) 11,640	(190) 155	(112.1) 101.3
	Commercial and Industrial	2,293	2,168	125	105.8
	Subtotal	14,088	13,808	280	102.0
Eligible Customers	Commercial	8,808	8,477	331	103.9
	Industrial	9,549	9,227	322	103.5
	Subtotal	18,357	17,704	653	103.7
Total		32,445	31,512	933	103.0

■ Power Supply

- Although the utilization ratio of Date Thermal Power Station has been decreased due to the shutdown of the fuel transportation pipeline and the operation of Unit No.1 in Tomari Nuclear Power Station was ceased in September 2007 due to a start-up failure of an emergency diesel power generator, a stable supply was maintained by enhancing operations at other thermal power stations and so forth.

(GWh)

	April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Comparison (A)/(B) %	Major factors for increase/decrease
Hokkaido Electric Power Co., Inc.					
(Water flow rate %) Hydroelectric	(90.4) 3,063	(103.9) 3,517	(-13.5) - 454	87.1	• Decrease in generated output due to drought
Thermal power	18,955	17,154	1,801	110.5	• Increase in generated output due to increased power demand, drought and reduction in nuclear power generated
(Nuclear capacity ratio %) Nuclear	(89.7) 9,122	(93.0) 9,437	(- 3.3) - 315	96.7	• Decrease in generated output due to increase of periodic inspection length (78 days; 62 days in the previous year)
Subtotal	31,140	30,108	1,032	103.4	
Purchased power	5,245	5,241	4	100.1	
Interchanged power	- 60	- 48	- 12	125.5	
Power used for pumped storage	- 65	- 67	2	96.7	
Total	36,260	35,234	1,026	102.9	

Statements of Income (Non-consolidated Revenues)

(Billion yen)

			April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease
Operating revenues	Electricity sales	Residential	250.1	248.6	1.5	<ul style="list-style-type: none"> ▪ Effect on the rate reduction (-4.4) ▪ Increase in electricity sales (12.6)
		Commercial and industrial	285.8	278.1	7.7	
		Subtotal	536.0	526.7	9.2	
	Others	7.3	8.2	-0.9	<ul style="list-style-type: none"> ▪ Adverse impact of compensation for relocation of hydroelectric power plant in the previous year (-1.4) 	
	Subtotal	543.3	535.0	8.3		
Non-operating revenues			3.0	2.2	0.8	
Ordinary income			546.4	537.2	9.1	

Statements of Income (Non-consolidated Expenses)

(Billion yen)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/ Decrease (A)-(B)	Major factors for increase / decrease
Operating expenses	Personnel	60.6	77.2	-16.6	<ul style="list-style-type: none"> ▪ Decrease in employee retirement benefits (-11.8) ▪ Decline in salaries, entrusted meter inspection and bill collection expenses (-4.5)
	Fuel and Purchased Power	177.6	138.3	39.2	<ul style="list-style-type: none"> ▪ Rise in fuel prices (18.7) ▪ Increase in electricity sales (11.6) ▪ Decrease in hydroelectric power generated (9.8)
	Maintenance	74.4	68.2	6.2	<ul style="list-style-type: none"> ▪ Increase in number of inspection among thermal power plants (10.1) ▪ Decrease in maintenance cost for distribution facilities (-3.4)
	Depreciation	64.7	62.7	1.9	<ul style="list-style-type: none"> ▪ Fixed percentage effect (-6.4)、tax system revision (4.9)、new acquisition of property, etc (3.4)
	Other Expenses	124.8	119.0	5.7	<ul style="list-style-type: none"> ▪ Increase in outsourcing expenses by concentrating and consolidating operations in group companies (4.5)
	Total	502.2	465.6	36.6	
Non-operating expenses		14.4	17.0	-2.6	
Ordinary expenses		516.6	482.6	33.9	
Provision for (reversal of) reserve for fluctuation in water level		-2.2	1.3	-3.6	<ul style="list-style-type: none"> ▪ Water flow rate 103.9%→90.4%
Extraordinary loss		7.0	—	7.0	<ul style="list-style-type: none"> ▪ Expenses for support for liquidation of Energy Frontier Co., Ltd. (3.6) ▪ Provision for Reserve for decommissioning costs of nuclear power units for prior periods (3.3)

■ Comparison with Financial Outlook (Non-consolidated)

(TWh, Billion yen)

	April 1, 2007 – March 31, 2008 (A)		Increase/decrease (A)-(B)	Major factors for increase / decrease	[reference] Forecast announced in January, 2008
	Actual (A)	Forecast announced in October, 2007 (B)			
(Electricity Sales: TWh) Operating Revenues	(32.4) 543.3	(Approx. 32.4) Approx. 543.0	(Approx.0) Approx. 0		(Approx. 32.4) Approx. 543.0
Operating Expenses	502.2	Approx. 494.0	Approx. 8.0	▪ Increase in fuel costs and electricity purchase expenses (7.0) [Rise in fuel prices, decline in hydroelectric power generated, etc.]	Approx. 501.0
Operating Income	41.1	Approx. 49.0	Approx. -8.0		Approx. 42.0
Non-operating Income	-11.3	Approx. -14.0	Approx. 3.0		Approx. -14.0
Ordinary Income	29.7	Approx. 35.0	Approx. -5.0		Approx. 28.0
Extraordinary loss	7.0	3.6	Approx. 3.0	▪ Provision for Reserve for decommissioning costs of nuclear power units for prior periods (3.3)	Approx. 7.0

Balance Sheets

(Billion yen)

		As of March 31, 2008 (A)	As of March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease (Non-consolidated)
Asset	Consolidated	1,530.1	1,503.4	26.6	<ul style="list-style-type: none"> ▪ Depreciation (-64.7) ▪ Capital expenditure (90.8)
	Non-consolidated	1,456.0	1,428.7	27.3	
Liabilities	Consolidated	1,068.3	1,035.5	32.7	<ul style="list-style-type: none"> ▪ Accrued income taxes (-11.8) ▪ Interest-bearing debt (45.6)
	Non-consolidated	1,030.7	995.2	35.4	
Net Assets	Consolidated	452.4	458.7	-6.2	<ul style="list-style-type: none"> ▪ Net income (15.5) ▪ Dividends (-13.6) ▪ Valuation adjustment (-9.8)
	Non-consolidated	425.3	433.5	-8.1	

Note: Consolidated data excluding minority shareholders' interest

					Target (As of March, 2008)
Shareholders' Equity Ratio(%)	Consolidated	29.6	30.5	-0.9	30% or more
	Non-consolidated	29.2	30.3	-1.1	
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	768.4	723.0	45.4	720.0 billion yen or less
	Non-consolidated	745.4	699.8	45.6	700.0 billion yen or less

Consolidated Cash Flow

(Billion yen)

	April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease
Operating Activities	71.0	119.1	-48.0	<ul style="list-style-type: none"> ▪ Decrease in income before income taxes ▪ Decrease in allowance for retirement payments
Investing Activities	-99.8	-91.1	-8.7	<ul style="list-style-type: none"> ▪ Increase in purchase of property, plant and equipment

Net CF	-28.8	28.0	-56.8	
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Financing Activities	31.3	-28.2	59.5	
(Interest-bearing Debt Outstanding)	(45.2)	(-17.3)	(62.5)	<ul style="list-style-type: none"> ▪ Increase in Interest-bearing debts such as bonds
(Dividend)	(-13.6)	(-10.5)	(-3.1)	
(Others)	(-0.2)	(-0.3)	(0)	
Increase/decrease in Cash & Cash Equivalents	2.4	-0.1	2.6	

**■ Forecast of Financial Results
for the Year Ending in March, 2009**

Forecast of Financial Results for the Year Ending in March, 2009



Operating revenues: Increase / Ordinary income: Decrease

(TWh, Billion yen)

		April 1, 2008 – March 31, 2009 Forecast (A)	April 1, 2007 – March 31, 2008 (B)	Increase/decrease (A)-(B)	Comparison (A)/(B) %	
Electricity sales	Non-eligible customers	Residential	Approx. 11.9	11.8	Approx. 0.1	101.0
		Commercial & industrial	Approx. 2.3	2.3	Approx. 0	100.2
	Eligible customers		Approx. 18.6	18.3	Approx. 0.3	101.3
	Total		Approx. 32.8	32.4	Approx. 0.4	101.1
Consolidated	Operating Revenues		Approx. 605.0	567.8	Approx. 37.0	106.5
	Operating Income		Approx. 21.0	44.8	Approx. -24.0	46.8
	Ordinary Income		Approx. 6.0	33.0	Approx. -27.0	18.2
	Net Income		Approx. 4.0	17.5	Approx. -14.0	22.8
Non-consolidated	Operating Revenues		Approx. 580.0	543.3	Approx. 37.0	106.7
	Operating Income		Approx. 17.0	41.1	Approx. -24.0	41.3
	Ordinary Income		Approx. 3.0	29.7	Approx. -27.0	10.1
	Net Income		Approx. 2.0	15.5	Approx. -14.0	12.8

■ Key Factors Affecting Forecast of Financial Results

Ordinary income for the year ended March, 2008 :
Consolidated 33.0 billion yen / Non-consolidated 29.7 billion yen

(billion yen)

Factors for improved performance		Factors for weakened performance	
Increase in income due to fuel cost adjustments	34.0	Increase in fuel costs due to the rise in fuel prices	25.0
Increase in hydroelectric power generated	6.0	Increase in fuel costs due to the decrease in nuclear power generated	28.0
		Increase in nuclear power plants periodic inspection costs	12.0
		Other	2.0
Total	40.0	Total	67.0
Balance: —27.0 billion yen			

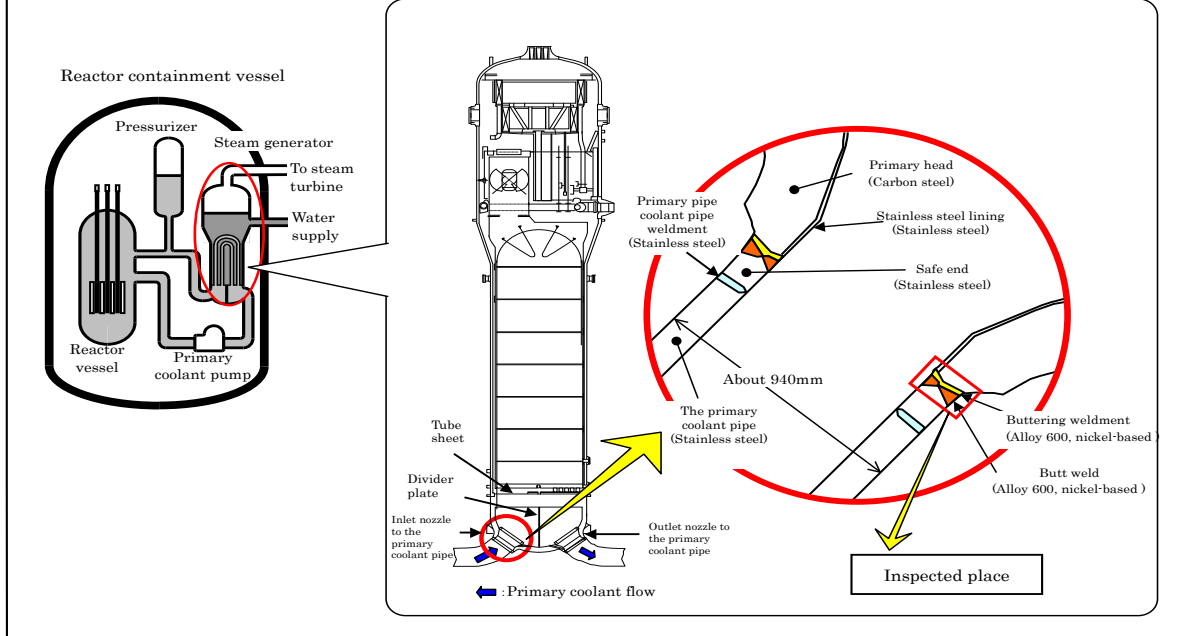
Forecast of ordinary income for the year ending March, 2009 :
Consolidated Approx. 6.0 billion yen / Non-consolidated Approx. 3.0 billion yen

■ New Mid-term Management Policy

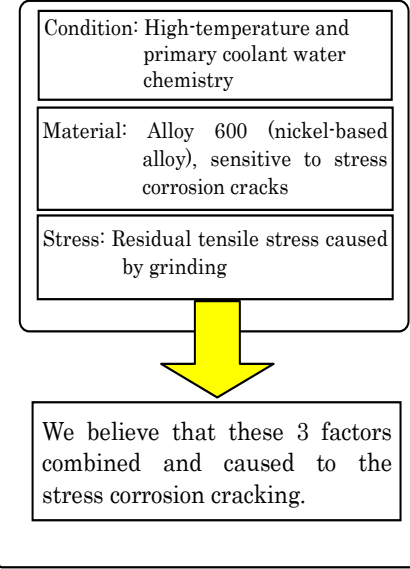
Cracks found in Tomari Nuclear Power Station

April 2008, some cracks were found on the inlet nozzle weldment of steam generators of Tomari Unit 2 by a periodic inspection during refueling outage. We believe it caused PWSCC, primary water stress corrosion cracking.

Where?

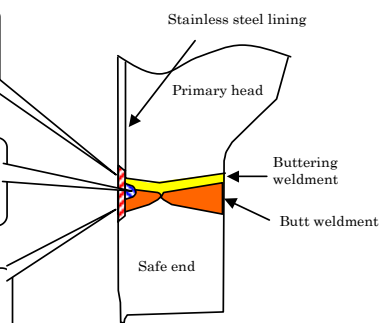


Why?



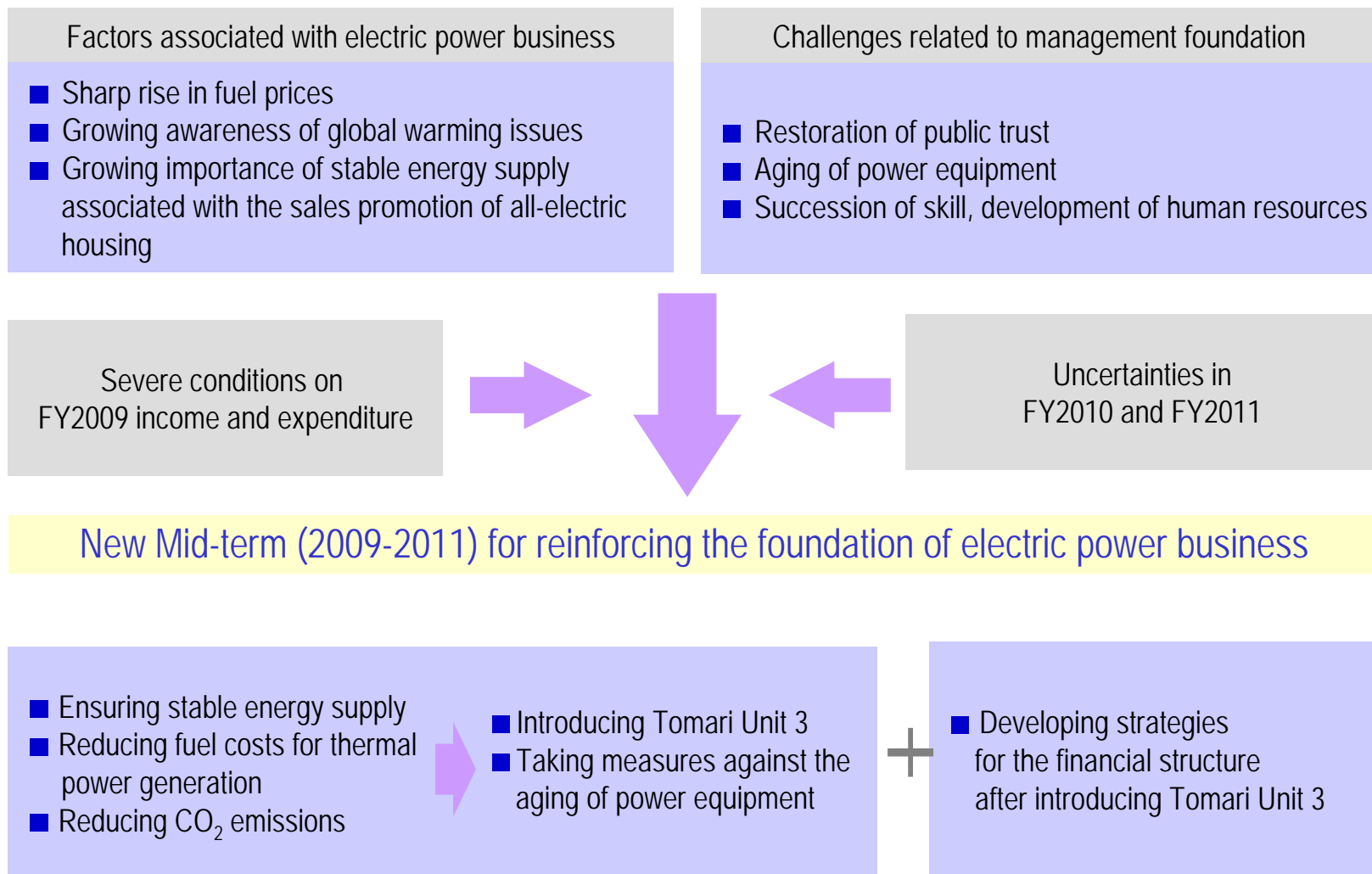
Countermeasures

- Remove the Alloy 600 surface, including all cracks, using a cutting apparatus.
 - Confirm the removal of the cracks with a Penetrant Test (PT).
- ↓
- If any cracks still remain, they will be partially removed with the grinder.
 - Confirm the removal of all cracks with a Penetrant Test (PT).
 - Fill up the holes with Alloy 600 weldment.
- ↓
- Apply overlay welding with Alloy 690, which is not sensitive to PWSCC.
 - Apply buffing to reduce residual stress certainly.



Due to countermeasure work, power generation will be restarted in summer.

■ Positioning of new Mid-term Management Policy



Activities for implementing new Mid-term management policy



Restoration of public trust



Infrastructure development in electric power business and cost reduction required

Promotion of activities toward stable energy supply

Developing power generating and electric power distribution facilities and their ensured operations

- Ensured construction of Tomari Unit 3 and Kyogoku hydroelectric Power Station and safe and reliable operations of Tomari Nuclear Power Station
- Well-planned maintenance of aging facilities
- Long-term stable fuel procurement
- Improvement works such as enhancing the operations of thermal power stations, etc.

Establishment of operation and management system

Reinforcement and establishment of information system infrastructure, integrated activities in the entire group, etc

Activities toward cost reduction

More efficient business, complete budget balance, etc

Winning trust from customers

Establishment and reinforcement of sales activities

Promotion of sales structure in new life-related field, primarily by Hokuden Service

Activities for promoting the sales of heat pump devices

In consideration of a certain level of all-electric housing used and the change in the environment associated with global warming, HEPCO will focus on the sales activities mainly for energy-conserving and environmentally-friendly heat pump devices.

Coexistence with the community and society

Promotion of activities toward reducing effects on environment

CO₂ emissions reduction target: "Reduction in average CO₂ emissions intensity from fiscal 2009 to 2013 by approx. 20% over the 1991 level"

	FY1991 Results	FY2008 Estimated results	5-year period average from FY2009 to FY2013 → Aimed at achieving a reduction of approx. 20%
CO ₂ emissions intensity (Kg-CO ₂ /kWh)	0.53 (100%)	0.52 (99%)	Approx. 0.44 (84%)

Establishment and development of better communications with the general public

Activities for coexistence with the community

Cooperation for G8 Hokkaido Toyako Summit and implementation of supporting projects

Numerical goals in the new Mid-term management policy



■ Activities in pro-Mid-term (FY2006 to 2008)

Though HEPCO Group made concerted efforts to achieve greater efficiency such as the reduction in capital investment and improvement in operating efficiency, and achieved steady results, many initially-unexpected external factors were generated, resulting in difficulty in achieving some goals.

	Target	Achievement	Remark
Operating profit ROA (consolidated)	4.5% or more annual average (FY2006-FY2008)	4.1% on average	Including a review of the depreciation system due to the tax system revision and the rise in fuel costs
Operating profit ROA (non-consolidated)		4.0% on average	
Balance of Interest-Bearing Debt (consolidated)	¥720 billion or less	¥768.4 billion	Including a decline in profit levels due to increased fuel costs from the rise in fuel prices
Balance of Interest-Bearing Debt (non-consolidated)	¥700 billion or less	¥745.4 billion	
Shareholder's Equity Ratio (consolidated)	30% or more	29.6%	The 2006 shareholder's ratio exceeded 30% temporarily, but it fell to slightly less than 30% due to the increase in Interest-Bearing Debt
Shareholder's Equity Ratio (non-consolidated)		29.2%	
Sales Target	Increase by 1,500GWh in electricity sales for the 3 years from FY2006	1.7 billion kWh	
Workforce	Between 5,700 to 5750 by the end of FY2008	5,708	
Capital Investment	¥90 billion or less annual average (FY2006-FY2008)	¥89.2 billion on average	



■ Managerial Target in New Mid-term (FY2009 to 2011)

HEPCO has not set numerical targets in New Mid-term. However, HEPCO is making maximum efforts to reinforce the foundation of our business.

- Due to the sharp rise in fuel costs in FY2009 and the impact of expenses concerning the primary water stress corrosion cracking in Tomari Unit 2 found in April, HEPCO predict the FY2009 balance to be severe.
- Considering the impacts of the depreciation burden in Tomari Unit 3 and soaring fuel prices, the balance in FY2010 and FY2011 cannot be easily maintained.

Reserve for depreciation of Tomari Nuclear Power Plant Unit 3

Purpose of the reserve

- In case of a decline in profits due to depreciation burden after the operation starts, every effort will be made to secure profits required for dividend distribution.

Outline of reserve system and planned reserves

- In order to reduce the impact on income and expenditure associated with the fixed rate depreciation from the start of the operation of Tomari Unit 3, this scheme substantially levels off the burden caused during a 6-year period after the Unit 3's operation starts with the fixed rate depreciation cost exceeding the fixed-amount depreciation cost for the total 12 years.
- The planned reserves during a 6-year period prior to the start of the operation are ¥54 billion, including the previous reserve of ¥34 billion.



Continuous consecutive dividend

- Despite a severe FY2009 income and expenditure, a ¥60 dividend will be maintained.
- By the lump-sum reserves of ¥20 billion in this period, the Tomari Nuclear Power Plant Unit 3 reserves will be completed and consecutive dividend after FY2010 will be assured.

【 Appendix 】

Expense breakdown (non-consolidated)

Personnel

(billion yen)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/ decrease (A)-(B)	Major factors for increase / decrease
Personnel		60.6	77.2	-16.6	<ul style="list-style-type: none"> ▪ Decrease in employee retirement benefits (-11.8) <li style="padding-left: 20px;">Decrease in the amortization of actual gains and losses(-8.6) <li style="padding-left: 20px;">Review of expected investment earning rate (0 to 3.5%) (-4) ▪ Decrease in salary and entrusted meter reading and bill collection expenses (-4.5)
Break down	Retirement benefits	2.5	14.4	-11.8	
	Salary etc.	58.0	62.8	- 4.7	

【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, 2007 – March 31, 2008		
			Amortization	Unamortized balance	Ending year (remaining year)
2002	26.9	5.1	—	—	—
2003	3.9	1.0	1.0	—	—
2004	-10.4	- 2.1	- 2.1	- 2.1	2009 (1 year)
2005	1.5	0.2	0.2	0.3	2010 (2 years)
2006	- 0	- 0	- 0	- 0	2011 (3 years)
2007	- 17.1	—	- 3.4	- 13.7	2012 (4 years)
Total		4.2	- 4.4	- 15.5	

Expense breakdown (non-consolidated)

Fuel and Purchased Power

(Billion yen)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease
Fuel and Purchased Power		177.6	138.3	39.2	<ul style="list-style-type: none"> ▪ Rise in fuel prices (18.7) Foreign exchange (yen appreciation) (-3.3) Rising crude oil CIF (16.2) Rising coal CIF (5.8) ▪ Increase in electricity sales (11.6) (31.5 billion kWh → 32.4 billion kWh) ▪ Decrease in hydroelectric power generated (9.8) (Water flow rate 103.9% → 90.4%)
Break down	Fuel	125.0	90.7	34.3	
	Purchased Power	52.5	47.6	4.9	

Key Factors

	April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)
Foreign Exchange Rate (yen/\$)	114	117	-3
CIF Crude Oil Price (\$/bl)	78.2	63.5	14.7
CIF Coal Price (\$/t)	74.4	62.8	11.6

Expense breakdown (non-consolidated)

Maintenance

(Billion yen)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease
Maintenance		74.4	68.2	6.2	<ul style="list-style-type: none"> ▪ Increase in number of periodic inspection among thermal power plants from 6 units to 8 units including full inspection 4 units (1 unit in the previous year) (10.1) ▪ Decrease in maintenance cost for distribution facilities(-3.4)
Break down	Generation	37.8	28.1	9.7	
	Distribution	34.2	37.7	-3.4	
	Others	2.3	2.3	- 0	

Depreciation

(Billion yen)

		April 1, 2007 – March 31, 2008 (A)	April 1, 2006 – March 31, 2007 (B)	Increase/decrease (A)-(B)	Major factors for increase / decrease
Depreciation		64.7	62.7	1.9	<ul style="list-style-type: none"> ▪ Fixed percentage effect (-6.4) ▪ Tax system revision (4.9) ▪ New acquisition of property, etc (3.4)
Break down	Generation	30.0	28.0	2.0	
	Distribution	30.6	30.5	0	
	Others	3.9	4.1	-0.1	

■ Key Factors and Sensitivity Factors

■ Key Factors

	April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008		April 1, 2008 – March 31, 2009 Forecast
		Actual (A)	Forecast announced in October, 2007	
Foreign Exchange Rate (yen/\$)	117	114	Approx. 120	Approx. 105
CIF Crude Oil Price(\$/bl)	63.5	78.2	Approx. 70	Approx. 90
Water Flow Rate(%)	103.9	90.4	Approx. 93	Approx. 100
Nuclear Capacity Ratio(%)	93.0	89.7	Approx. 90	Approx. 70

■ Sensitivity Factors

(Approx. billion yen)

	April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008		April 1, 2008 – March 31, 2009 Forecast
		Actual (A)	Forecast announced in October, 2007	
Foreign Exchange Rate (1yen/\$)	0.8	1.1	1.0	1.7
CIF Crude Oil Price(1\$/bl)	1.0	1.1	1.1	1.3
Water Flow Rate(1%)	0.5	0.6	0.6	0.7
Nuclear Capacity Ratio(1%)	1.0	1.3	1.3	1.5
Interest(1%)	0.7	0.9	0.8	1.2

Segment Information

(Billion yen)

		Electric	Other	Total	Eliminations	Consolidated
Operating revenues	April 1, 2007 – March 31, 2008 (A)	542.9	92.9	635.8	-68.0	567.8
	April 1, 2006 – March 31, 2007 (B)	534.6	94.9	629.6	-70.0	559.5
	Increase/decrease (A)-(B)	8.2	-1.9	6.2	1.9	8.2
Operating expenses	April 1, 2007 – March 31, 2008 (A)	501.7	89.2	590.9	-67.9	522.9
	April 1, 2006 – March 31, 2007 (B)	465.1	90.9	556.0	-69.7	486.3
	Increase/decrease (A)-(B)	36.5	-1.6	34.9	1.7	36.6
Operating income	April 1, 2007 – March 31, 2008 (A)	41.2	3.7	44.9	-0	44.8
	April 1, 2006 – March 31, 2007 (B)	69.5	4.0	73.5	-0.3	73.2
	Increase/decrease (A)-(B)	-28.2	-0.3	-28.6	0.2	-28.3

Electricity Sales

(GWh, °C)

	April 1, 2007- March 31, 2008 (A)	Supply Plan (B)	April 1, 2006- March 31, 2007 (C)	Comparison with Supply Plan		Comparison with the Previous Year's Results		Changes in Temperature		
				Increase/ decrease (A)-(B)	Rate of change (A)/(B) %	Increase/ decrease (A)-(C)	Rate of change (A)/(C) %	Average temperature	Gap with the previous year	Gap with the average
April	2,702	2,732	2,715	-30	98.9	-13	99.5	5.5	1.0	-0.3
May	2,577	2,525	2,499	52	102.1	78	103.1	11.6	-0.4	0.5
June	2,374	2,348	2,292	26	101.1	82	103.6	17.8	2.9	2.4
1Q	7,653	7,605	7,506	48	100.6	147	102.0	—	—	—
July	2,421	2,418	2,345	3	100.1	76	103.2	18.4	-1.2	-1.1
August	2,540	2,575	2,527	-35	98.7	13	100.5	22.5	-0.9	1.4
September	2,664	2,649	2,627	15	100.6	37	101.4	18.3	0.5	1.3
2Q	7,625	7,642	7,499	-17	99.8	126	101.7	—	—	—
First Half Year	15,278	15,247	15,005	31	100.2	273	101.8	—	—	—
October	2,498	2,505	2,480	-7	99.7	18	100.8	11.2	-0.1	0.3
November	2,637	2,635	2,541	2	100.1	96	103.7	3.7	-2.1	-0.5
December	2,765	2,724	2,667	41	101.5	98	103.7	-1.2	-0.2	0.3
3Q	7,900	7,864	7,688	36	100.5	212	102.8	—	—	—
January	3,174	3,222	3,110	-48	98.5	64	102.1	-5.2	-2.7	-0.6
February	3,104	3,082	2,920	22	100.7	184	106.3	-4.1	-2.1	0.2
March	2,989	2,957	2,789	32	101.1	200	107.2	2.5	2.2	3.0
4Q	9,267	9,261	8,819	6	100.1	448	105.1	—	—	—
Later Half Year	17,167	17,125	16,507	42	100.2	660	104.0	—	—	—
Total	32,445	32,372	31,512	73	100.2	933	103.0	—	—	—

Demand forecast

Item \ FY	2007 Results	2008 Results	2009	2010	2011	2012	2013	2018	Annual average growth rate from fiscal 2007 to 2018 (%)
Electricity sales (TWh)	31.5 (31.5)	32.4 (32.3)	32.8	33.2	33.5	33.8	34.2	35.8	1.2 (1.2)
Annual growth rate of electricity sales (%)	2.2 (2.6)	3.0 (2.5)	1.1 (1.4)	1.3	0.7	1.1	1.1	0.8	—
Peak demand (10 thousand kW)	520 (544) [546]	523 (554) [566]	562	568	572	579	585	614	1.5 (1.1)
Annual growth rate of Peak Load (%)	1.9 (2.5)	0.6 (1.7)	7.4 (1.4)	1.2	0.7	1.1	1.1	0.8	—

(Note) 1. Figures in parentheses () are the numerals after adjustment for temperature and other factors.

2. Peak demand is 3-day average value at transmission end in December

3. Figures in fiscal 2007 and 2008 in parentheses [] are the 1-day peak demand value at generation end.

(The 1-day peak demand at generation end is recorded in January both in fiscal 2007 and 2008.)

4. In this presentation, "FY(Fiscal Year)" refers to the period of April 1 through March 31 of each year. e.g. FY2009 means the period from April 1, 2008 to March 31, 2009

Electric Facility Plan

[Power resource development plan]

Classification	Electric power station	Installed capacity (MW)	Construction schedule	
			Start of construction	Start of operation
Under construction	Kyogoku	600 (200 x 3 units)	Sep. 2001	Oct. 2015 (Unit 1) FY 2018 or later (Unit 2, 3)
	Tomari (Unit 3)	912	Nov. 2003	Dec. 2009

[Main transmission facility construction plan]

Classification	Transmission line	Section	Voltage (kV)	Length (km)	Number of circuits	Construction schedule	
						Start of construction	Start of operation
In preparation of construction	Karikachi Main Line (pressure rising)	Minamihayakita Substation - Kitashintoku Substation	275	114	2	May. 2008	Nov. 2008

[Main substation facility construction plan]

Classification	Substation	Increased capacity (MVA)	Transformer			Construction schedule	
			Voltage (kV)	Capacity (MVA)	Number of machines	Start of construction	Start of operation
Under construction	Kitashintoku (new construction)	900	275/187/66	450/450/100	2	May 2006	Dec. 2008*
	Nishino (expansion)	600	275/187/66	600/600/100	1	Jan. 2007	Nov. 2008

*Along with pressure rising to 275kV on Karikachi Main Line, the Kitashintoku Substation will partially start its operation in November 2008.

■ Capital Expenditures

(billion Yen)

		2007 (results)	2008 (results)	2009 (planned)	2010 (planned)
Power-Generating Facilities	Hydro	8.0	5.5	7.6	14.6
	Thermal	1.0	10.2	7.2	4.3
	Nuclear	44.7	36.4	52.3	47.4
	Subtotal	53.8	52.2	67.1	66.4
Power-Distribution Facilities	Transmission	9.4	8.9	9.6	14.1
	Transformation	2.7	4.5	10.7	6.5
	Distribution	14.1	12.9	14.9	14.9
	Subtotal	26.3	26.4	35.2	35.5
Others		1.1	1.7	6.9	3.6
Nuclear Fuel		6.3	10.3	19.4	18.3
Total		87.6	90.8	128.6	123.8

(Note) Total amount may not agree due to rounding off.

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For further information

IR Office

Hokkaido Electric Power Co., Inc.

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

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