

Financial Results for the Year Ended March 31, 2009

Hokkaido Electric Power Co., Inc.

May 12, 2009

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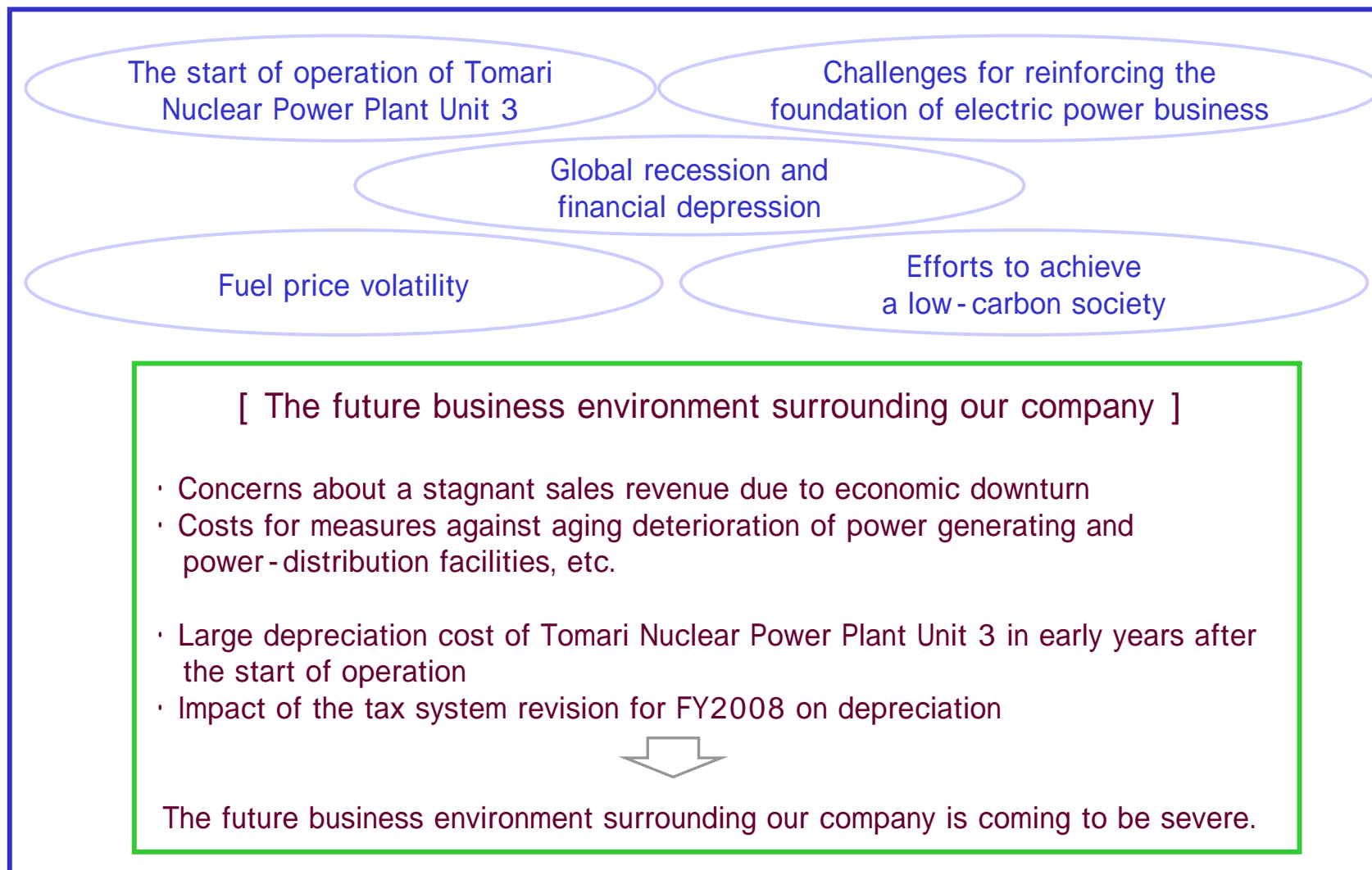
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*In this presentation, "FY (Fiscal Year)" refers to the period of April 1 through March 31 of each year.
e.g. FY2009 means the period from April 1, 2008 to March 31, 2009

The future business environment surrounding our company

Brief summary of Non - consolidated Results for the Year
Ended March 31, 2009 and Dividends

The future business environment surrounding our company



Brief summary of Non-consolidated Results for the Year Ended March 31, 2009 and Dividends



FY2009 Ordinary Loss

A substantial loss of 36.5 billion yen (non-consolidated) was posted because of the specific factors.

FY2010 Ordinary Income

It is predicted that there will be some improvement compared to the previous term but ordinary income will remain at a low level of 7.0 billion yen (non-consolidated).

Dividends

FY2009: A dividend of 60 yen per share will be paid despite the ordinary loss.
FY2010: Although dividends have been paid by increasing to 60 yen per share since FY2007 for the purpose of returning our fruits of efficiency improvement to shareholders, it is planned to change the dividend amount back to 50 yen per share which was the same level before increasing it for the next term.

Reserve for Adjustment of Cost Fluctuation / General reserve

In view of the current net loss and the amount required for dividends, it is planned to reverse the Reserve for Adjustment of Cost Fluctuation in full and a part of the General Reserve

- Reserve for Adjustment of Cost Fluctuation in full: 12.5 billion yen
- A Part of the General reserve: 27.0 billion yen

[Reference] Reserve for Depreciation of Tomari Nuclear Power Plant Unit 3

The balance as of March 31, 2009: 54.0 billion yen
It is planned to determine how to reverse and how much to be reversed by the end of FY2010.

Financial Results

Financial Results for the Year Ended March 31, 2009

Summery of Financial Results



Points of financial results

Revenue	[Increase factors] increase in income due to fuel cost adjustment, etc. [Decrease factors] decrease in electricity sales, etc.
Expenses	[Increase factors] Increase in number of periodically inspected units and the extension of the periodic inspection period due to repairs of the inlet nozzle weldment of steam generators at a nuclear power plant, considerable rise in fuel prices, influence of drought, etc. [Decrease factors] increase in utilization of domestic-coal-fired thermal power plants, etc.

(Billion yen)

	Consolidated			Non-consolidated		
	April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	(A) / (B)%	April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	(A) / (B)%
Operating Revenue	594.5	567.8	104.7	573.4	543.3	105.5
Operating Income (Loss)	(17.1)	44.8	-	(22.3)	41.1	-
Ordinary Income (Loss)	(31.4)	33.0	-	(36.5)	29.7	-
Net Income (Loss)	(24.1)	17.5	-	(26.1)	15.5	-

Consolidated Statements of Operation



(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase / decrease (A) - (B)	Comparison (A) / (B) %
Ordinary revenue	Operating revenue	594.5	567.8	26.7	104.7
	Electricity	572.1	542.1	30.0	105.5
	Others	22.4	25.7	(3.3)	87.1
	Non-operating revenue	2.7	3.5	(0.7)	78.8
	Subtotal	597.3	571.3	25.9	104.5
Ordinary expenses	Operating expenses	611.7	522.9	88.7	117.0
	Electricity	592.0	499.8	92.2	118.4
	Others	19.6	23.1	(3.4)	85.0
	Non-operating expenses	17.1	15.3	1.7	111.7
	Subtotal	628.8	538.3	90.5	116.8
[Operating income (loss)]		[(17.1)]	[44.8]	[(62.0)]	[-]
Ordinary income (loss)		(31.4)	33.0	(64.5)	-
Provision or reversal of reserve for fluctuation in water levels		(5.0)	(2.2)	(2.7)	220.5
Extraordinary loss		4.7	6.5	(1.7)	72.7
Income(loss) before income taxes		(31.1)	28.8	(59.9)	-
Income taxes		(7.8)	10.8	(18.7)	-
Minority interests in income		0.8	0.4	0.3	176.1
Net income (loss)		(24.1)	17.5	(41.6)	-

Electricity Sales



Total electricity sales have decreased by 1.9% compared to the previous year

Non-eligible customers	Decreased 191 GWh (decreased by 1.4% compared to the previous year) [Increase factors] expansion of the adoption of all-electric housing [Decrease factors] decline in heating demand because of the record-setting warm winter, etc.
Eligible customers	Decreased 415 GWh (decreased by 2.3% compared to the previous year) [Increase factors] Increase in number of the large-scale retail stores [Decrease factors] Influence from drastic production adjustment in such industries as paper and pulp, machinery, and iron and steel since last November due to the economic recession, etc.

		(GWh)			
		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase / decrease (A) - (B)	Comparison (A) / (B) %
Non-eligible customers	[Time-of-use (included in "Residential")] Residential	[1,901] 11,639	[1,750] 11,795	[151] (156)	[108.7] 98.7
	Commercial and Industrial	2,258	2,293	(35)	98.5
	Subtotal	13,897	14,088	(191)	98.6
Eligible customers	Commercial	8,676	8,808	(132)	98.5
	Industrial	9,266	9,549	(283)	97.0
	Subtotal	17,942	18,357	(415)	97.7
Total		31,839	32,445	(606)	98.1

Power Supply



Although the water flow rate in the current year was lower than average level, and the periodic inspection period was extended because of repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant, stable electric supply has been maintained by taking measures, including shortening the period of maintenance and repair of thermal power plants and changing its schedule.

(GWh)

		April 1, 2008 - March 31, 2009 (A)	April 1, 2007 - March 31, 2008 (B)	Increase/decrease (A) - (B)	Comparison (A) / (B) %	Major factors for increase/decrease
Hokkaido Electric Power Co., Inc.	[Water flow rate %] Hydroelectric	[80.5] 2,811	[90.4] 3,063	[(9.9)] (252)	91.7	• Decrease in generated output due to drought [Drought in the current year is the second worst in history]
	Thermal power	21,176	18,955	2,221	111.7	• Increase in generated output due to drought and reduction in nuclear power generated
	[Nuclear capacity ratio %] Nuclear	[66.2] 6,777	[89.7] 9,122	[(23.5)] (2,345)	74.3	• Decrease in generated output due to increase of periodic inspection length [257 days including 102 days for repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant ; 78 days in the previous year]
	Subtotal	30,764	31,140	(376)	98.8	
Purchased power		5,100	5,245	(145)	97.2	• Decrease in purchased power due to drought
Interchanged power		(3)	(60)	57	4.4	
Power used for pumped storage		(71)	(65)	(6)	107.6	
Total		35,790	36,260	(470)	98.7	

* Amount of power generated in trial operation is excluded from the calculation of nuclear capacity ratio.

Statements of Income (Non-consolidated Revenue)



(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/decrease (A) - (B)	Major factors for increase/decrease	
Operating revenue	Electricity sales	Residential	259.0	250.1	8.9	<ul style="list-style-type: none"> · Decrease in electricity sales ; (9.1) · Increase in income due to fuel cost adjustments ; 40.0
		Commercial and industrial	307.9	285.8	22.0	
		Subtotal	566.9	536.0	30.9	
	Others	6.4	7.3	(0.8)	<ul style="list-style-type: none"> · Decrease in income of sold power to other utilities ; (1.3) 	
	Subtotal	573.4	543.3	30.1		
Non-operating revenue		2.0	3.0	(1.0)		
Ordinary income		575.5	546.4	29.1		

Statements of Income (Non-consolidated Expenses)



(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase/decrease
Operating expenses	Personnel	53.7	60.6	(6.8)	<ul style="list-style-type: none"> Decrease in entrusted meter inspection and bill collection expenses by concentrating and consolidating operations in group companies ;(3.3) Decrease in employee retirement benefits: amortization of actual gains and losses ;(2.0)
	Fuel and Purchased Power	238.5	177.6	60.9	<ul style="list-style-type: none"> Decrease in electricity sales ;(8.7) Increase in utilization of domestic-coal-fired thermal power plants ;(6.6) Decrease in nuclear power output ; 35.4 Considerable rise in fuel prices ; 29.0 Decrease in hydroelectric power generated ; 7.0
	Maintenance	99.4	74.4	24.9	<ul style="list-style-type: none"> Repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant ; 11.5 Increase in number of periodically inspected units at the Tomari Nuclear Power Plant ; 6.6 Increase in maintenance cost for power-distribution facilities ; 4.9
	Depreciation	68.3	64.7	3.6	Depreciation of trial operation of Tomari Nuclear Power Plant Unit 3 ; 3.4
	Other Expenses	135.7	124.8	10.9	Increase in outsourcing expenses ; 11.3
	Total	595.8	502.2	93.5	
Non-operating expenses		16.2	14.4	1.8	Increase in interest expenses ; 1.0
Ordinary expenses		612.1	516.6	95.4	
Provision or reversal of reserve for fluctuation in water levels		(5.0)	(2.2)	(2.7)	Water flow rate 90.4% 80.5%
Extraordinary loss		4.7	7.0	(2.3)	<p>Previous year</p> <p>↓</p> <p>Current year</p> <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 Loss on valuation of securities ; 4.7

Comparison with Financial Outlook (Non-consolidated)



(TWh, Billion yen)

	April 1, 2008 – March 31, 2009		Increase / decrease (A) - (B)	Major factors for increase / decrease	[reference] Forecast announced in October, 2008
	Actual (A)	Forecast announced in January, 2009 (B)			
[Electricity sales:TWh] Operating revenue	[31.8] 573.4	[Approx. 32.4] Approx. 580.0	[Approx. (0.6)] Approx. (7.0)	• Decrease in electricity sales	[32.8] Approx. 585.0
Operating expenses	595.8	Approx. 607.0	Approx. (12.0)	• Decrease in fuel costs and electricity purchase expenses ; (14.0) [Decrease in electricity sales, increase in hydroelectric power generated etc.] • Increase in depreciation expenses ; 3.0 [Increase in depreciation of trial operation of Tomari Nuclear Power Plant Unit 3]	Approx. 618.0
Operating income (loss)	(22.3)	Approx. (27.0)	Approx. 5.0		Approx. (33.0)
Non-operating income (loss)	(14.1)	Approx. (14.0)	same level		Approx. (14.0)
Ordinary income (loss)	(36.5)	Approx. (41.0)	Approx. 5.0		Approx. (47.0)
Provision or reversal of reserve for fluctuation in water levels	(5.0)	Approx. (6.0)	Approx. 1.0		Approx. (4.0)
Extraordinary loss	4.7	-	Approx. 5.0	• Loss on valuation of securities	-

Balance Sheets



(Billion yen)

		As of March 31, 2009 (A)	As of March 31, 2008 (B)	Increase / decrease (A) - (B)	Major factors for increase / decrease (non-consolidated)
Assets	Consolidated	1,635.0	1,530.1	104.9	• Capital expenditure ; 118.8
	Non-consolidated	1,564.7	1,456.0	108.6	
Liabilities	Consolidated	1,215.0	1,068.3	146.7	• Increase in Interest-bearing debt ; 113.4
	Non-consolidated	1,183.8	1,030.7	153.1	
Net Assets	Consolidated	410.0	452.4	(42.4)	• Net loss ;(26.1) • Dividends ;(12.6)
	Non-consolidated	380.9	425.3	(44.4)	

Note: Consolidated data exclude minority shareholders' interest.

Shareholders' Equity Ratio (%)	Consolidated	25.1	29.6	(4.5)
	Non-consolidated	24.3	29.2	(4.9)
Interest-bearing Debt Outstanding (Billion yen)	Consolidated	880.1	768.4	111.6
	Non-consolidated	858.8	745.4	113.4

Consolidated Cash Flows



(Billion yen)

	April 1, 2008 - March 31, 2009 (A)	April 1, 2007 - March 31, 2008 (B)	Increase/ decrease (A) - (B)	Major factors for increase / decrease
Operating Activities	24.7	71.0	(46.2)	· Posting a loss before Income Taxes
Investing Activities	(100.1)	(99.8)	(0.2)	
Net CF	(75.3)	(28.8)	(46.5)	
Financing Activities	98.1	31.3	66.8	
[Interest - bearing Debt Outstanding]	[111.1]	[45.2]	[65.8]	· Increase in Interest - bearing debts such as bonds
[Dividend]	[(12.6)]	[(13.6)]	[1.0]	· Year - ended dividends in FY2007 : 35 yen per share · Dividends since FY2008 : 30 yen per share [both Interim and Year - ended] [Annual total dividends were 60 yen per share in both fiscal years]
[Others]	[(0.3)]	[(0.2)]	[(0.0)]	
Increase / decrease in Cash & Cash Equivalent	22.7	2.4	20.2	

Forecast of Financial Results for the Year Ending in March, 2010

Forecast of Financial Results for the Year Ending in March, 2010



(Approx. TWh / billion yen)

			April 1, 2009 – March 31, 2010 Forecast (A)	April 1, 2008 – March 31, 2009 (B)	Increase / decrease (A) - (B)	Comparison (A) / (B) %
Electricity sales	Non-eligible customers	Residential	12.0	11.6	0.4	102.8
		Commercial & industrial	2.4	2.3	0.1	106.3
	Eligible customers		17.5	17.9	(0.4)	97.6
	Total		31.9	31.8	0.1	100.1

Consolidated	Operating revenue	547.0	594.5	(47.0)	92.0
	Operating income (loss)	26.0	(17.1)	43.0	-
	Ordinary income (loss)	12.0	(31.4)	43.0	-
	Net income (loss)	6.0	(24.1)	30.0	-

Non-consolidated	Operating revenue	526.0	573.4	(47.0)	91.7
	Operating income (loss)	21.0	(22.3)	43.0	-
	Ordinary income (loss)	7.0	(36.5)	43.0	-
	Net income (loss)	4.0	(26.1)	30.0	-

Key Factors Affecting Forecast of Financial Results

Ordinary income (loss) for the year ended March, 2009 :
 Consolidated (31.4) billion yen / Non-consolidated (36.5) billion yen

(Approx. Billion yen)

Factors for improved performance	Factors for weakened performance
Decrease in fuel cost due to the increase in nuclear power output 63.0 [· Decrease in thermal power fuel costs due to the start of the operation of Tomari Nuclear Power Plant Unit 3 34.0 · Adverse impact of the increase in thermal power fuel costs due to repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant in the previous year 24.4]	Decrease in income due to effects of fuel cost adjustments based on the decline in fuel prices 47.0
Decrease in fuel cost due to decline in fuel prices 40.0 [· Decline in CIF crude oil price 21.0]	Increase in costs due to the start of operation of Tomari Nuclear Power Plant Unit 3 44.0 [· Increase in depreciation cost 38.0 [FY2009:3.4 FY2010:41.0] · Increase in nuclear power back-end costs etc. 6.0]
Adverse impact of the increase in thermal power fuel usage due to drought in the previous year 15.0	Others 1.5
Adverse impact of the repair cost of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant in the previous year 11.5	
Decrease in maintenance cost due to decrease in number of periodically inspected units among Tomari Nuclear Power Plants : 2 units 1 unit 6.0	
Total 135.5	Total 92.5
Balance: Approx. 43.0 billion yen	

Forecast of ordinary income (loss) for the year ending March, 2010
 Consolidated Approx. 12.0 billion yen / Non-consolidated Approx. 7.0 billion yen

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[FY2010 Management Plan]

Efforts to overcome business challenges / Efforts for sustainable development

Stable operation of Tomari Nuclear Power Plant

- Stable and reliable operation of Tomari Nuclear Power Plant Unit 1, 2
- Start of operation of Tomari Nuclear Power Plant Unit 3 as planned

Conservation by taking measures against the aging deterioration of power generation and power-distribution facilities

Cost reduction based on zero-base reviews on the premise of securing a stable supply

More sophisticated operations of thermal power plants

Efforts to launch a plutonium-thermal project

Efforts to achieve a low-carbon society

Implementation of mega-solar power plant

Planned introduction of electric vehicles

Reinforcing the efforts for winning trust from customers

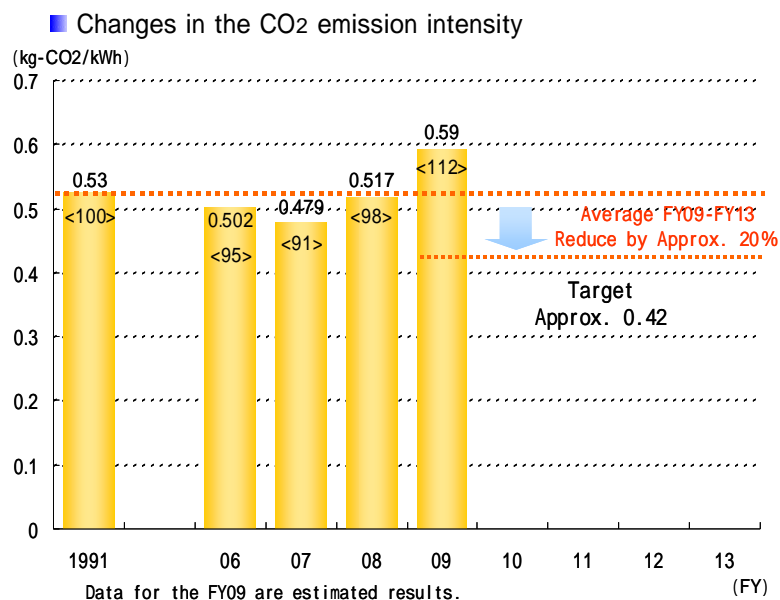
Reinforcing the efforts for restoration of public trust

Promoting the efforts for coexistence with the community and society

[In light of an uncertain business environment, HEPCO has not to set any numerical targets.]

Management Plan - Efforts to achieve a low-carbon society #1

CO2 emissions reduction target: "Reduction in average CO2 emissions intensity from FY2009 to 2013 by approx. 20% over the FY1991 level"



Activities to reduce CO2 emissions from power generation

- Start of operation of Tomari Nuclear Power Plant Unit 3 as planned
- Improvement of the utilization of nuclear power plants by ensuring stable operation
- Utilization of renewable energy

《Wind power generation》

- The interconnected capacity is 260,000kW at present. We are seeking application, being planned for the future, for 50,000kW with another 50,000kW on condition that decoupling will be performed if the possibility of adverse effects on the HEPCO system arises. Electricity from small-scale wind power less than 20kW is accepted as offered.

《Photovoltaic power generation》

- 1MW will be introduced on the premises of the Date Power Plant by FY2013.
- About 5MW from mega-solar is expected to be introduced by FY2021.
- Implementation of the "Experimental Study on Stable Solar Power Generation System for Large Scale Power Supply" in Wakkanai [a project entrusted by NEDO (New Energy and Industrial Technology Development Organization) /5MW]
- Utilization of the system for purchasing surplus electric power generated mainly from households.

Activities to reduce CO2 emissions concerning the utilization of electricity

- Activities for promoting the sales of heat pump devices which demonstrate energy efficiency and environmental friendliness
- Promotion of the introduction of electric vehicles
- Introducing tools for visualizing CO2 such as an environmental household account book

Utilization of Kyoto Mechanisms

Carbon funds or projects in which Hepco has participated	Expected credits
Japan GHG Reduction Fund Greenhouse Gas - Credit Aggregation Pool New Collective Purchase Credit Suisse Esajadi small hydropower project in Malaysia	Approx. 3.2 million tons

Utilization of the domestic credit system

An emission-reduction project, which will be carried out by using ESCO schemes at the Tokachi Plaza in Obihiro City Government building, was approved.

Management Plan - Efforts to achieve a low-carbon society #2



Establishment of a system to work on a business field of new energy in the HEPCO Group

Efforts for photovoltaic and wind power generation business which the group as a whole should work on

Photovoltaic power generation should be considered to have a great potential.

The HEPCO Group should see it as a new business opportunity and should improve a system in which a comprehensive point of contact can offer total services from consultation/design to operation/maintenance by taking advantage of skills and experiences that each group company can provide.



New business related to photovoltaic and wind power generation was added as businesses operated by a group company "Hokkai Hydro Generation", and then the company name has been changed into "Hokuden Eco-Energy".

Hokuden Eco-Energy is characterized as a company that plays a leading role in the promotion of renewable energy in the HEPCO Group, and the group as a whole should make efforts for photovoltaic and wind power generation business.

< Company Profile >

Company Name: Hokuden Eco-Energy

Capital stock: 1,860 million yen (HEPCO's wholly owned subsidiary)

Operating revenue: 2,111 million yen (FY2009)

Number of employees: Approx. 100 people

[Existing principal business]

- Hydropower generation business and commissioned business of maintenance and management of hydropower generation facilities, etc.

[Newly-added business]

- Sales of electric power generated by photovoltaic and wind power generation
- Commissioned business relating to photovoltaic and wind power generation, including consultation, planning, research, designing, surveillance, and facility maintenance and management

New Energy Generation (FY2009)

(GWh)

	Electricity generation
Wind	555 [1.6%]
Photovoltaic	11 [0.0%]
Geothermal	111 [0.3%]
Biomass etc.	180 [0.5%]
Total	857 [2.4%]

Note 1. Purchased power is included.

Note 2. Figures in parentheses [] are the proportion to the total electricity generation.

Note 3. "Biomass" includes waste power generation.

Management Plan - Efforts to achieve a low - carbon society #3

Introduction of mega - solar power generation

A power generating system with capacity of 1MW is planned to be established on the premises of the Date Power Plant by FY2013, and about 5MW in total is expected to be introduced by FY2021

“Date Mega - solar Power Plant” (tentative name)

Location	On the premises of the HEPCO Date Power Plant
Installer	Hokuden Eco - Energy
Area / Installed Capacity	Approx. 3ha / 1MW
Electric Power Generation (presumed)	Approx. 1GWh/year (equivalent to the electricity used in approx. 300 households per year)
CO ₂ emission reduction effects (presumed)	Approx. 5 million tons/year
Construction Schedule	Start of construction: FY2012 Start of operation: FY2013



Introduction of electric vehicles

About 100 electric vehicles are planned to be introduced sequentially by FY2021.

Introduction of electric vehicles (including plug - in hybrid vehicles) was initially under consideration as an alternative for about 300 electric vehicles, including small cars and light motor vehicles, out of all vehicles for business use. In view of Hokkaido’s regional characteristics, such as snowy and cold winter as well as many mountainous areas, about 100 vehicles accounting for a third of target vehicles will be introduced sequentially by FY2021.

Given the situation of development by automobile manufacturers, introduction will be promoted while reviewing the plan accordingly.

CO₂ emission reduction effects by the introduction of about 100 electric vehicles: About 50t/year (presumed)



Supply Plan - Demand forecast

Forecast of electricity sales annual average growth rate is revised.

[Revised] Annual average growth rate from FY2008 to 2019: 0.9%

[Previous] Annual average growth rate from FY2008 to 2018: 1.0%

Item \ FY	2008 Results	2009 Results	2010	2011	2012	2013	2014	2019	Annual average growth rate from FY2008 to 2019 (%)
Electricity sales (TWh)	32.4 [32.3]	31.8 [32.1]	<31.9> 32.7	33.3	33.6	33.8	34.2	35.9	0.9 [1.0]
Annual growth rate of electricity sales (%)	3.0 [2.5]	(1.9) [(0.5)]	<0.1> 2.6 [1.6]	2.1	0.8	0.7	1.0	1.0	-
Peak Load (10 thousand kW)	523 [554] [566]	523 [558] [556]	558	570	574	578	584	614	1.5 [0.9]
Annual growth rate of Peak Load (%)	0.6 [1.7]	0.1 [0.7]	6.7 [0.1]	2.1	0.8	0.6	1.0	1.0	-

(Note)

1. After publication of the supply plan in March, figures for FY2009 has been replaced to actual results.
2. Peak demand is 3-day average value at transmission end in December.
3. Figures in parentheses [] are the numerals after adjustment for temperature and other factors. Meteorological and intercalary correction value in FY2009 and FY2010 are provisional.
4. FY2008 and 2009 figures in parentheses [] are the 1-day peak demand value at generation end.
(The month that 1-day peak demand at generation end is recorded: FY2008 - January, FY2009 - December.)
5. FY2009 figures in the parentheses < > indicate electricity sales, which has been revised for the FY2010 forecast, in view of the actual current condition of industrial use demand.

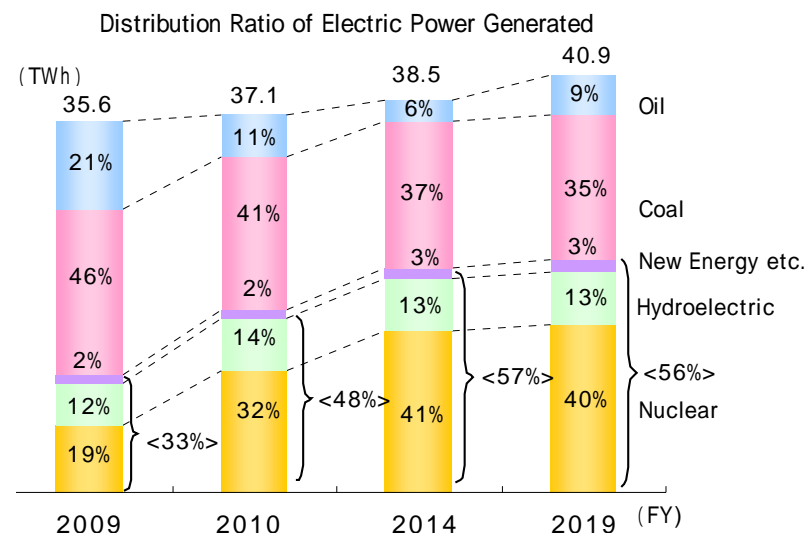
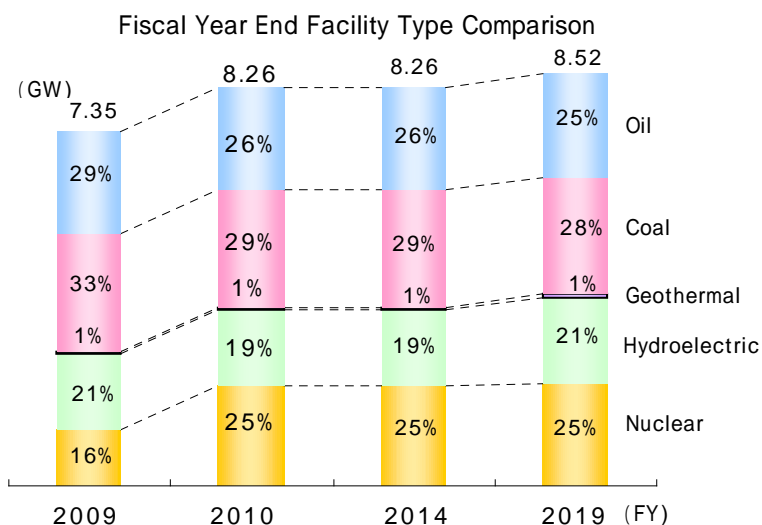
Supply Plan - Electric Facility Plan

[Power resource development plan]

Review the commencing time of operations of the Kyogoku Power Plant Unit 1.

[Previous Plan] October, 2015 [Revised Plan] October, 2014

	Electric power station	Installed capacity (MW)	Start of construction	Start of operation
Under construction	Kyogoku	600 (200 x 3 units)	Sep. 2001	Oct. 2014 (Unit 1) FY2020 or later (Unit 2, 3)
	Tomari (Unit 3)	912	Nov. 2003	Dec. 2009



- (Note) 1. Purchased power is included.
 2. Electricity generated from oil for FY2014 and 2019 include electricity generated from natural gas (scheduled to be introduced as a part of fuels for power generation at the Tomakomai Power Plant Unit 1 from December 2009).
 3. Due to instability of power supply of new energy, purchased power from new energy is not included in "Fiscal Year End Facility Type Comparison" but is included in "Distribution Ratio of Electric Power Generated".
 4. New energy etc. include geothermal and waste power generation.
 5. Figures in the parentheses < > indicate the ratio of zero emission power sources.

Supply Plan - Electric Facility Plan



[Major 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	Kyogoku Main Line	Shiribeshi Main Line #115 ~ Kyogoku (Power Plant)	275	2	2	April, 2010	September, 2013

More sophisticated operations of thermal power plants, etc.

Enhancing the demand-supply adjustment functions of Tomatoh-Atsuma Power Plant Unit 4.

To reduce fuel costs, enhance demand-supply adjustment functions of Tomato-Atsuma Unit 4 and control oil-fired thermal power generation.

Measures for facility improvement were taken in FY2009, and operations of demand-supply adjustment are planned to be started during FY2010.

Those measures make it possible to reduce approx. 10% of electric power generated from oil.

Natural gas mixed combustion at Tomakomai Power Plant Unit 1.

To reduce fuel costs and respond to global environment issues, conduct facility improvement of Tomakomai Power Plant Unit 1 to launch mixed combustion with natural gas produced from Yufutsu.

Operation is planned to be started in December, 2009

Mixed combustion rate: 20% of the installed capacity (250MW) at the maximum

CO₂ emission reduction effects: 15thousands t-CO₂/year

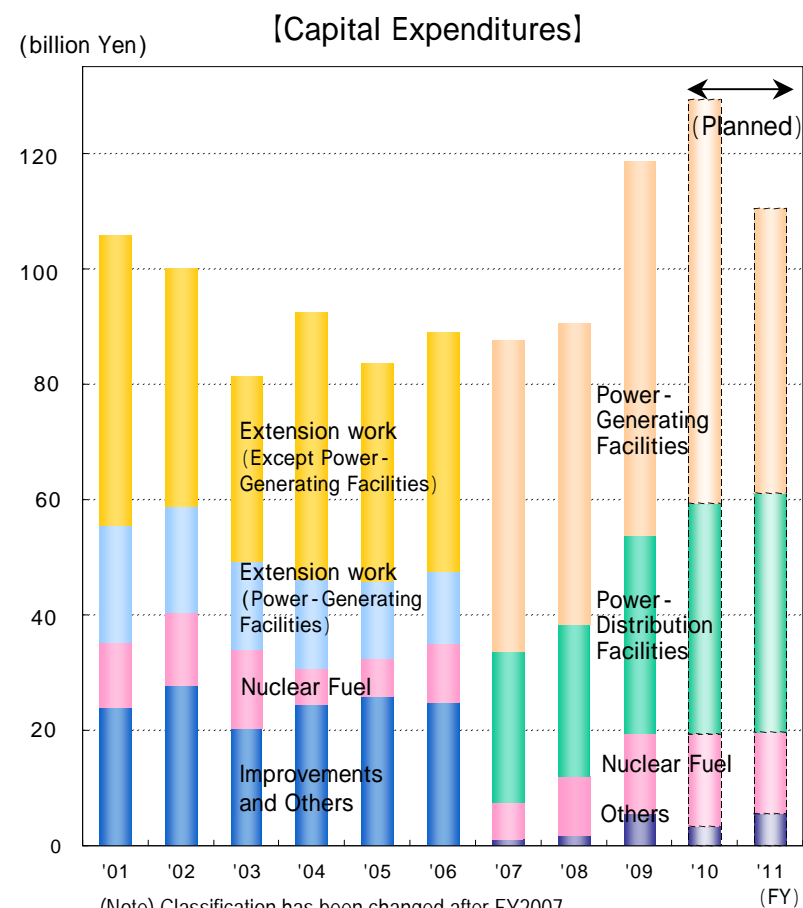
Supply Plan - Capital Expenditures



It is expected that the amount of capital expenditures will start to decrease after peaking in FY2010 when the construction of Tomari Power Plant Unit 3 will be completed, but the decrease rate will not be so high due to the continuous construction work of the Kyogoku Power Plant, measures against aging facilities, etc.

		(billion Yen)			
		FY2008 (results)	FY2009 (results)	FY2010 (planned)	FY2011 (planned)
Power-Generating Facilities	Hydro	5.5	7.6	16.2	22.0
	Thermal	10.2	7.1	5.6	15.1
	Nuclear	36.4	50.1	48.2	12.3
	Subtotal	52.2	65.0	70.0	49.4
Power-Distribution Facilities	Transmission	8.9	8.8	15.2	15.3
	Transformation	4.5	10.5	6.8	7.7
	Distribution	12.9	14.8	17.9	18.3
	Subtotal	26.4	34.2	39.9	41.4
Others		1.7	5.6	3.3	5.6
Nuclear Fuel		10.3	13.9	16.1	14.0
Total		90.8	118.8	129.3	110.4

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



Financial Results – Specific Factors in FY2009



(Billion yen)

Specific Factors in FY2009				Effects to FY2009
1. Repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant				(35.9)
	Maintenance	Fuel	Total	
Unit 1	(7.6)	(6.8)	(14.4)	
Unit 2	(3.9)	(17.6)	(21.5)	
Total	(11.5)	(24.4)	(35.9)	
2. Increase in thermal power fuel usage due to drought <ul style="list-style-type: none"> · Water flow rate 80.5% [19.5% below the average level for past years] 				(14.6)
3. Effects of no application or the reduction of fuel cost adjustment to charges <ul style="list-style-type: none"> · No application of fuel cost adjustment to charges for October to December 2008 Approx. (7.1) · The reduction of applying fuel cost adjustment to charges of the customers in the regulated market from January to March 2009 Approx. (5.1) 				(12.2)
Total				(62.7)

Note: Minus figures represent deterioration of the balance.

Financial Results – Expense breakdown (non-consolidated)



■ Personnel

(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase / decrease
Personnel		53.7	60.6	(6.8)	<ul style="list-style-type: none"> • Decrease in entrusted meter inspection and bill collection expenses by concentrating and consolidating operations in group companies ;(3.3) • Decrease in employee retirement benefits: amortization of actual gains and losses ;(2.0)
Break down	Retirement benefits	(1.0)	2.5	(3.6)	
	Salary etc.	54.8	58.0	(3.2)	

[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, 2008 – March 31, 2009		
			Amortization	Unamortized balance	Ending year (remaining year)
2003	3.9	1.0	-	-	-
2004	(10.4)	(2.1)	(2.1)	-	-
2005	1.5	0.1	0.1	0.1	2010 [1 year]
2006	(0.0)	(0.0)	(0.0)	(0.0)	2011 [2 years]
2007	(17.1)	(3.4)	(3.4)	(10.3)	2012 [3 years]
2008	(5.2)	-	(1.0)	(4.2)	2013 [4 years]
2009	4.9	-	-	4.9	2014 [5 years]
Total		(4.4)	(6.4)	(9.4)	

Financial Results – Expense breakdown (non-consolidated)



Fuel and Purchased Power

(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase/decrease
Fuel and Purchased Power		238.5	177.6	60.9	<ul style="list-style-type: none"> • Decrease in electricity sales ;(8.7) [32.4TWh 31.8TWh] • Increase in utilization of domestic-coal-fired thermal power plants ;(6.6) [Amount of used domestic coal: 1.09 million tons 1.43 million tons] • Decrease in nuclear power output ; 35.4 [Including effects of extension of the periodic inspection period due to repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant ; 24.4] • Considerable rise in fuel prices ; 29.0 Foreign exchange[yen appreciation] ;(19.2) Rising CIF crude oil price ; 21.7 Rising CIF coal price ; 26.5 • Decrease in hydroelectric power generated ; 7.0 [Water flow rate 90.4% 80.5%]
Break down	Fuel	180.4	125.0	55.3	
	Purchased Power	58.1	52.5	5.5	

Key Factors

	April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)
Foreign Exchange Rate (yen/\$)	101	114	(13)
CIF Crude Oil Price (\$/bl)	90.3	78.7	11.6
CIF Coal Price (\$/t)	133.8	75.1	58.7

Financial Results – Expense breakdown (non-consolidated)



Maintenance

(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase/decrease
Maintenance		99.4	74.4	24.9	<ul style="list-style-type: none"> Repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant ; 11.5 Increase in number of periodically inspected units at the Tomari Nuclear Power Plant ; 6.6 Increase in maintenance cost for power-distribution facilities ; 4.9 [Increase in maintenance cost for distribution facilities, etc.]
Break down	Generation	58.0	37.8	20.1	
	Power - distribution	39.1	34.2	4.9	
	Others	2.2	2.3	(0.1)	

Depreciation

(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase/decrease
Depreciation		68.3	64.7	3.6	<ul style="list-style-type: none"> Increase in depreciation of trial operation of Tomari Nuclear Power Plant Unit 3 ; 3.4 Fixed percentage effect ; (6.2) New acquisition of property, etc. ; 6.4
Break down	Generation	33.1	30.0	3.1	
	Power - distribution	31.3	30.6	0.6	
	Others	3.8	3.9	(0.1)	

Financial Results – Expense breakdown (non-consolidated)

Interest Expenses

(Billion yen)

	April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase / decrease
Interest Expenses	14.1	13.1	1.0	<ul style="list-style-type: none"> · Increase in Interest-bearing debts ; 1.5 · Adverse impact of expenses for repayment of high-interest debt in the previous year ; (0.5)

Other Expenses

(Billion yen)

	April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase / decrease
Other Expenses	137.8	126.0	11.8	<ul style="list-style-type: none"> · Increase in outsourcing expenses ; 11.3 · Expenses for concentrating and consolidating operations in group companies ; 3.3 · Expenses for measurement and management of trace PCB contained in devices which were posted in a lump sum ; 3.9 etc.

* “Other Expenses” includes non-operating expenses except interest expenses.

Nuclear power back-end costs (included in “Other expenses”)

(Billion yen)

		April 1, 2008 – March 31, 2009 (A)	April 1, 2007 – March 31, 2008 (B)	Increase/ Decrease (A) - (B)	Major factors for increase / decrease
Nuclear power back-end costs		9.7	12.0	(2.3)	<ul style="list-style-type: none"> · Decrease in nuclear power output, etc.
breakdown	Expenses for reprocessing of irradiated nuclear fuel	5.6	6.6	(1.0)	
	Expenses for preparation of the reprocessing of irradiated nuclear fuel	0.6	0.9	(0.3)	
	Expenses for disposal of specified radioactive wastes	1.5	1.9	(0.3)	
	Expenses for decommissioning of nuclear power units	1.9	2.5	(0.5)	

Financial Results – Key Factors and Sensitivity Factors



■ Key Factors

	April 1, 2007 - March 31, 2008	April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010 Forecast
		Actual	Forecast announced in January, 2009	
Foreign Exchange Rate [yen/\$]	114	101	Approx. 101	Approx. 100
CIF Crude Oil Price[\$/bl]	78.7	90.3	Approx. 92	Approx. 55
Water Flow Rate[%]	90.4	80.5	Approx. 78	Approx. 100
Nuclear Capacity Ratio[%]	89.7	66.2	Approx. 65	Approx. 78
Interest(on average) [%]	1.74	1.74	1.74	1.73

* Amount of power generated in trial operation is excluded from the calculation of nuclear capacity ratio.

■ Sensitivity Factors

(Approx. Billion yen)

	April 1, 2007 - March 31, 2008	April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010 Forecast
		Actual	Forecast announced in January, 2009	
Foreign Exchange Rate [1yen/\$]	1.1	1.6	1.7	0.7
CIF Crude Oil Price[1\$/bl]	1.1	1.1	1.3	0.6
Water Flow Rate[1%]	0.6	0.8	0.8	0.5
Nuclear Capacity Ratio[1%]	1.3	1.6	1.6	1.2
Interest[1%]	0.9	1.4	1.6	1.1

Financial Results – Segment Information



(Billion yen)

		Electric	Other	Total	Eliminations	Consolidated
Operating revenue	April 1, 2008 – March 31, 2009 (A)	573.0	99.6	672.7	(78.1)	594.5
	April 1, 2007 – March 31, 2008 (B)	542.9	92.9	635.8	(68.0)	567.8
	Increase/decrease (A) - (B)	30.0	6.7	36.8	(10.0)	26.7
Operating expenses	April 1, 2008 – March 31, 2009 (A)	595.6	94.7	690.3	(78.6)	611.7
	April 1, 2007 – March 31, 2008 (B)	501.7	89.2	590.9	(67.9)	522.9
	Increase/decrease (A) - (B)	93.9	5.4	99.4	(10.6)	88.7
Operating income (loss)	April 1, 2008 – March 31, 2009 (A)	(22.6)	4.9	(17.6)	0.5	(17.1)
	April 1, 2007 – March 31, 2008 (B)	41.2	3.7	44.9	(0.0)	44.8
	Increase/decrease (A) - (B)	(63.8)	1.2	(62.5)	0.5	(62.0)

Financial Results – Electricity Sales



(GWh,)

	April 1, 2008 – March 31, 2009 (A)	Supply Plan (B)	April 1, 2007 – March 31, 2008 (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	2,644	2,758	2,702	(114)	95.9	(58)	97.9	8.1	2.6	2.3
May	2,556	2,622	2,577	(66)	97.5	(21)	99.2	11.4	(0.2)	0.3
June	2,372	2,366	2,374	6	100.2	(2)	99.9	15.8	(2.0)	0.4
1Q	7,572	7,746	7,653	(174)	97.8	(81)	98.9	-	-	-
July	2,430	2,426	2,421	4	100.2	9	100.4	20.3	1.9	0.8
August	2,616	2,636	2,540	(20)	99.2	76	103.0	20.3	(2.2)	(0.8)
September	2,581	2,630	2,664	(49)	98.1	(83)	96.9	18.4	0.1	1.4
2Q	7,627	7,692	7,625	(65)	99.2	2	100.0	-	-	-
First Half Year	15,199	15,438	15,278	(239)	98.5	(79)	99.5	-	-	-
October	2,551	2,535	2,498	16	100.6	53	102.1	12.3	1.1	1.4
November	2,637	2,669	2,637	(32)	98.8	0	100.0	4.1	0.4	(0.1)
December	2,663	2,717	2,765	(54)	98.0	(102)	96.3	0.6	1.8	2.1
3Q	7,851	7,921	7,900	(70)	99.1	(49)	99.4	-	-	-
January	3,145	3,331	3,174	(186)	94.4	(29)	99.1	(1.9)	3.3	2.7
February	2,875	3,163	3,104	(288)	90.9	(229)	92.6	(2.9)	1.2	1.4
March	2,769	2,956	2,989	(187)	93.7	(220)	92.6	0.9	(1.6)	1.4
4Q	8,789	9,450	9,267	(661)	93.0	(478)	94.8	-	-	-
Later Half Year	16,640	17,371	17,167	(731)	95.8	(527)	96.9	-	-	-
Total	31,839	32,809	32,445	(970)	97.0	(606)	98.1	-	-	-

Fuel Cost Adjustment System - Fuel Cost Adjustment

Fuel cost adjustment from May 2009 through March 2010

Fuel cost adjustment unit price to be applied = Fuel cost adjustment unit price (original) + Adjustment unit price of Measures to Avoid Drastic Changes + Transition Measure unit price

Fuel Cost Adjustment (Case for the low voltage supply/metered system)

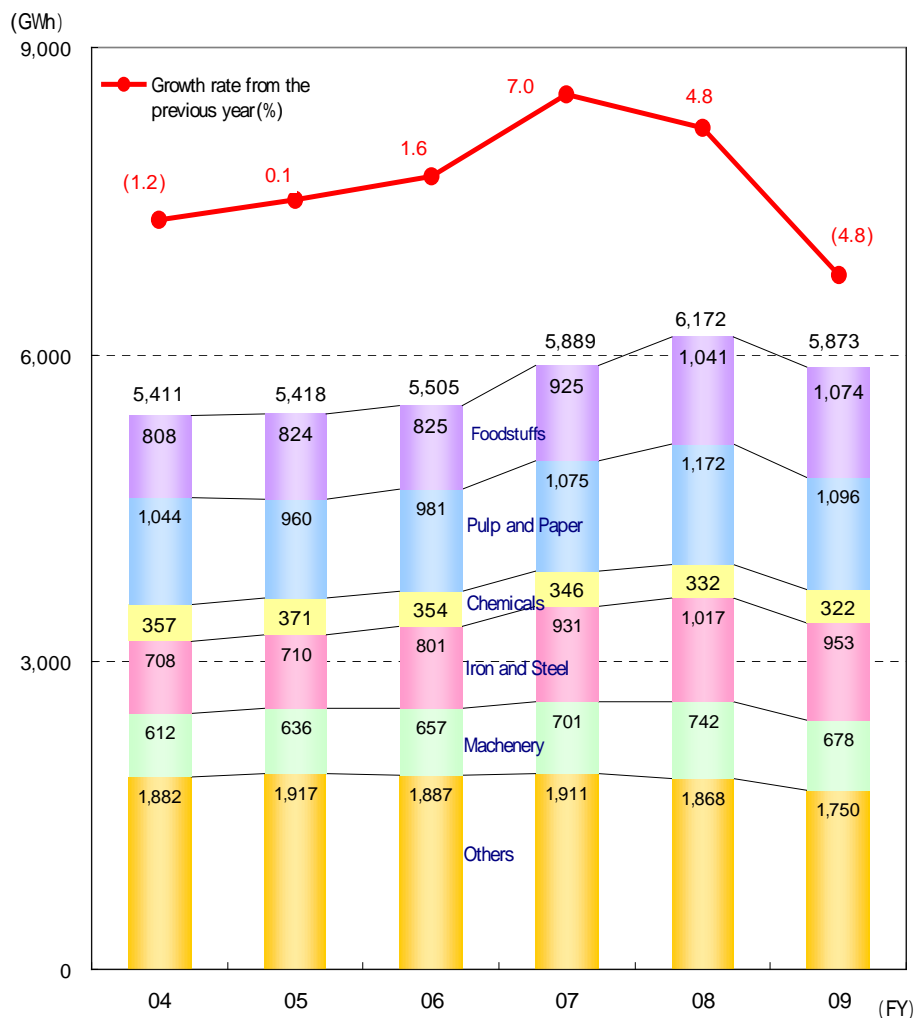
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. (former system)	May (new system)	June (new system)	
Average fuel price	[Calculation of Average fuel price] Average fuel price = A × + B × (rounded to the nearest 100yen)									
	Trade statistics published by Ministry of Finance Japan (actual rate)			Oct. ~ Dec.	Dec. ~ Feb.	Jan. ~ Mar.				
	A Average Crude Oil Price (yen)			47,771	27,834	25,703	0.3625			
	B Average Coal Price (yen)			13,838	12,575	12,374	0.9476			
	30,400 yen			22,000 yen		21,000 yen		(Average fuel price - Standard Fuel Price <31,100yen> × Standard unit price* 0.161yen/kWh ÷ 1,000)		
Fuel cost adjustment unit price(original) ()							0 yen	(1.47) yen	(1.63) yen	
							Within unadjusted band (± 5%)			

*Standard Unit Price: Fuel cost adjusted unit price when an average fuel price has fluctuated by 1,000 yen/kl.

Adjustment unit price of Measures to Avoid Drastic Changes () The reduction of fuel cost adjustment from January to March 2009, resulting from mitigation measures, will be divided evenly and added during the year of FY2010. < April, 2009 ~ Mar. 2010 + 0.30 yen/kWh >	0.30 yen	0.30 yen	0.30 yen
Transition Measure unit price () Measures taken against the cases where fuel price fluctuations in particular months may not be reflected in electricity rates due to the differences in time lag, etc. when switching into a new system. < May, 2009 -0.04yen/kWh, June, 2009 ~ Mar. 2010 -0.03yen/kWh >		(0.04) yen	(0.03) yen
Fuel cost adjustment unit price to be applied (+ +)	0.30 yen	(1.21) yen	(1.36) yen

Electricity Sales - Large Industrial Electricity Sales

Large Industrial Electricity Sales



Details of FY2009

[Composition of Large industrial electricity sales by sector and Growth rate from the previous year]

Because a drastic production adjustment was conducted in such industries as "pulp and paper", "machinery" and "iron and steel" since last November due to the economic recession, the growth rate from the previous year resulted in -4.8%.

	Composition (%)	Growth rate from the previous year (%)
Foodstuffs	18.3	3.1
Pulp and Paper	18.7	(6.6)
Chemicals	5.5	(3.0)
Iron and Steel	16.2	(6.3)
Machinery	11.5	(8.6)
Others	29.8	(6.3)
Total	100.0	(4.8)

[Monthly transitions]

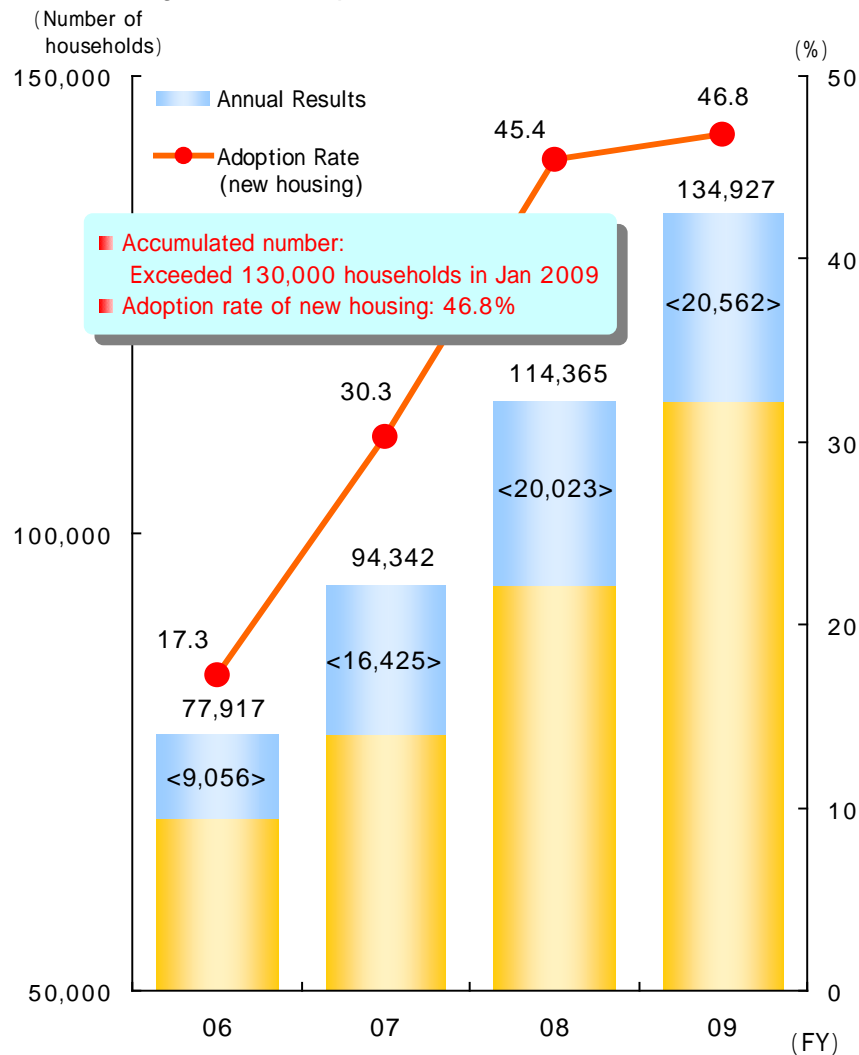
Growth rate from the previous year (%)											
Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
4.1	4.3	6.4	6.7	5.7	3.4	2.1	(1.1)	(6.3)	(20.8)	(31.6)	(31.5)

Breakdown of major industries

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Foodstuffs	4.2	1.3	1.5	3.5	(2.5)	0.3						
Pulp and Paper	13.9	11.4	2.4	(41.2)	(65.1)	(70.7)						
Chemicals	0.1	(6.0)	2.3	(4.7)	(11.0)	(10.7)						
Iron and Steel	0.6	(1.5)	(12.7)	(38.5)	(49.0)	(53.1)						
Machinery	(2.8)	(11.7)	(25.0)	(34.2)	(42.5)	(34.0)						

Electricity Sales - Adoption of All-electric Housing / Dissemination of heat pump devices

Accumulated number of households adopting all-electric housing and the adoption rate



[Period to increase the accumulated number of households adopting all-electric housing by 10,000]

Accumulated number of households	Period (months)
60,000	17
70,000	18
80,000	10
90,000	8
100,000	6
110,000	6
120,000	6
130,000	6

Efforts for promotion and dissemination of heat pump devices

Promote activities to propose those devices in the housing sector under the slogan of "Eco-Cute Challenge 100".

* Eco-Cute: An energy saving water heater, which can boil water by taking in hot air electrically through the heat pump system



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