

Financial Release for the Nine-months Ended December 31, 2008

January 29, 2009

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, 2008 – December 31, 2008)

(1) Consolidated Business Results

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2008–December 31, 2008	418,622	-	-28,025	-	-38,280	-	-22,635	-
April 1, 2007–December 31, 2007	400,553	0.4	29,474	-51.9	20,547	-60.9	12,298	-62.2

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, 2008–December 31, 2008	-107.45	-
April 1, 2007–December 31, 2007	58.37	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of December 31, 2008	1,585,440	420,099	25.9	1,948.69
As of March 31, 2008	1,530,106	461,796	29.6	2,147.66

Reference: Shareholders' Equity: As of December 31, 2008 410,431 million yen As of March 31, 2008 452,479 million yen

II. Dividends

Cash dividend

	Cash dividends per share				
	June 30, 2008	September 30, 2008	December 31, 2008	Year-ended	Annual total
	Yen	Yen	Yen	Yen	Yen
April 1, 2007 – March 31, 2008	-	30.00	-	30.00	60.00
April 1, 2008 – March 31, 2009	-	30.00	-	-	-
April 1, 2008 – March 31, 2009 (Forecast)	-	-	-	30.00	60.00

Note: Changes of the forecast of the cash dividends per share in this period: No

III. Forecasts of Consolidated Results for the Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2008 – March 31, 2009	605,000	6.5	-23,000	-	-38,000	-	-22,000	-	-104.44

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

Note: Changes of the forecasts of consolidated results in this period: Yes

* For details of forecasts, please refer to page 3.

* 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, 2008– December 31, 2008 (A)	April 1, 2007– December 31, 2007 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2007 – March 31, 2008
Non-eligible customers					
Residential	8,108	8,256	-148	98.2	11,795
Commercial and industrial	1,299	1,353	-54	96.0	2,293
Subtotal	9,407	9,609	-202	97.9	14,088
Eligible customers	13,643	13,569	74	100.5	18,357
Total	23,050	23,178	-128	99.5	32,445

2. Production

Power Supply

(GWh)

	April 1, 2008 – December 31, 2008 (A)	April 1, 2007 – December 31, 2007 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2007 – March 31, 2008
Hokkaido Electric Power Co., Inc.					
(Water flow rate %)	(77.8)	(89.6)	(-11.8)		(90.4)
Hydroelectric	2,274	2,493	-219	91.2	3,063
Fossil fuel	16,039	13,046	2,993	122.9	18,955
(Nuclear capacity ratio %)	(54.3)	(89.0)	(-34.7)		(89.7)
Nuclear	4,150	6,803	-2,653	61.0	9,122
Subtotal	22,463	22,342	121	100.5	31,140
Purchased power	3,807	3,804	3	100.1	5,245
Interchange power	5	30	-25	17.5	-60
Power used for pumped storage	-69	-15	-54	476.1	-65
Total	26,206	26,161	45	100.2	36,260

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 full year ending March 31, 2009 (April 1, 2008 – March 31, 2009)

The forecasts of consolidated results for the fiscal year ending March 2009, which was released in October 31, 2008, have been revised as shown below.

(Million yen)

	April 1, 2008 – March 31, 2009		
		Increase/decrease compared with the previous forecasts released in October 31	Increase/decrease compared with the previous term
Operating Revenues	605,000	-5,000	37,000
Operating Income (Loss)	-23,000	6,000	-68,000
Ordinary Income (Loss)	-38,000	6,000	-71,000
Net Income (Loss)	-22,000	5,000	-40,000

Key Factors

	April 1, 2008 – March 31, 2009	
		Previous forecasts released in October 31
Electricity sales	Approx. 32.4 TWh	Approx. 32.8 TWh
Foreign Exchange Rate	Approx. 101 yen/\$	Approx. 105 yen/\$
CIF Crude Oil Price	Approx. 92 \$/bl	Approx. 110 \$/bl
Nuclear Capacity Ratio	Approx. 65 %	Approx. 65 %
Sensitivity Factors		
Foreign Exchange Rate (1 yen/\$)	Approx. 1.7 billion yen	Approx. 2.0 billion yen
CIF Crude Oil Price (1 \$/bl)	Approx. 1.3 billion yen	Approx. 1.3 billion yen
Nuclear Capacity Ratio (1 %)	Approx. 1.6 billion yen	Approx. 1.8 billion yen
Interest (1 %)	Approx. 1.6 billion yen	Approx. 1.6 billion yen

Note: The average Foreign Exchange Rate from January 1 through March 31, 2009 is assumed Approx. 95 yen/\$.

The average price of CIF Crude Oil from January 1 through March 31, 2009 is assumed Approx. 50 \$/bl.

* For details of revisions of the forecasts, please refer to "Reference 2" on the last page.

Consolidated Balance Sheets

(Million yen)

Item	As of December 31, 2008 (A)	As of March 31, 2008 (B)
Assets		
Noncurrent assets	1,449,768	1,427,975
Electric utility plant and equipment	894,219	894,633
Hydroelectric power production facilities	124,580	128,965
Thermal power production facilities	117,864	127,042
Nuclear power production facilities	79,195	69,187
Transmission facilities	188,153	192,952
Transformation facilities	84,985	77,271
Distribution facilities	257,190	256,667
General facilities	40,559	40,749
Other electric utility plant and equipment	1,690	1,797
Other noncurrent assets	50,508	52,462
Construction in progress	301,487	280,775
Construction in progress	300,805	280,507
Retirement in progress	681	267
Nuclear fuel	77,772	67,921
Loaded nuclear fuel	9,948	6,246
Nuclear fuel in processing	67,824	61,675
Investments and other assets	125,780	132,181
Long-term investments	39,483	49,875
Deferred tax assets	58,144	54,532
Other	28,492	28,078
Allowance for doubtful accounts	-339	-304
Current assets	135,671	102,131
Cash and deposits	24,151	17,634
Notes and accounts receivable-trade	30,168	33,422
Inventories	40,474	28,610
Deferred tax assets	18,213	5,018
Other	23,033	17,905
Allowance for doubtful accounts	-369	-460
Total	1,585,440	1,530,106
Liabilities and net assets		
Liabilities		
Noncurrent liabilities	947,191	859,620
Bonds payable	513,788	423,785
Long-term loans payable	233,454	227,339
Provision for retirement benefits	81,099	87,986
Provision for reprocessing of irradiated nuclear fuel	69,847	72,062
Provision for preparation of the reprocessing of irradiated nuclear fuel	2,867	2,574
Provision for decommissioning of nuclear power units	40,396	39,362
Reserve for loss on liquidation of affiliates	3,084	3,121
Other	2,653	3,388
Current liabilities	215,545	201,144
Current portion of noncurrent liabilities	61,755	48,686
Short-term loans payable	57,380	48,640
Commercial papers	10,000	18,000
Notes and accounts payable-trade	28,414	33,519
Accrued taxes	6,755	13,379
Deferred tax liabilities	48	48
Other	51,191	38,870
Reserves under the special laws	2,604	7,545
Reserve for fluctuation in water levels	2,604	7,545
Total liabilities	1,165,341	1,068,310
Net assets		
Shareholders' equity	410,408	445,833
Capital stock	114,291	114,291
Capital surplus	21,174	21,174
Retained earnings	283,786	319,062
Treasury stock	-8,844	-8,695
Valuation and translation adjustments	22	6,645
Valuation difference on available-for-sale securities	22	6,645
Minority interests	9,667	9,316
Total net assets	420,099	461,796
Total	1,585,440	1,530,106

Consolidated Statements of Income

(Million yen)

Item	April 1, 2008– December 31, 2008
Operating revenue	418,622
Electric utility operating revenue	403,255
Other business operating revenue	15,366
Operating expenses	446,648
Electric utility operating expenses	433,468
Other business operating expenses	13,179
Operating loss	-28,025
Non-operating income	2,134
Dividends income	410
Interest income	416
Equity in earnings of affiliates	97
Other	1,209
Non-operating expenses	12,389
Interest expenses	10,707
Other	1,681
Total ordinary revenue	420,756
Total ordinary expenses	459,037
Ordinary loss	-38,280
Provision or reversal of reserve for fluctuation in water levels	-4,941
Reversal of reserve for fluctuation in water levels	-4,941
Loss before income taxes and minority interests	-33,339
Income taxes-current	-12,614
Income taxes for prior periods	682
Income taxes-deferred	710
Total income taxes	-11,222
Minority interests in income	519
Net loss	-22,635

Consolidated Statements of Cash Flows

(Million yen)

Account	April 1, 2008 – December 31, 2008
Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	-33,339
Depreciation and amortization	52,156
Amortization of nuclear fuel	2,058
Increase (decrease) in provision for retirement benefits	-6,887
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	-2,214
Increase (decrease) in provision for decommissioning of nuclear power units	1,033
Interest and dividends income	-826
Interest expenses	10,707
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	-512
Decrease (increase) in trade notes and accounts receivables	3,328
Decrease (increase) in inventories	-11,863
Increase (decrease) defined-contribution pension liability	-1,946
Increase (decrease) in trade notes and accounts payable	-5,160
Other, net	-7,806
Subtotal	-1,271
Interest and dividends income received	822
Interest expenses paid	-10,890
Income taxes paid	-7,236
Net cash provided by (used in) operating activities	-18,576
Net cash provided by (used in) investment activities	
Purchase of noncurrent assets	-74,307
Payments of investment and loans receivable	-14,176
Collection of investment and loans receivable	13,871
Other, net	317
Net cash provided by (used in) investment activities	-74,294
Net cash provided by (used in) financing activities	
Proceeds from issuance of bonds	119,637
Redemption of bonds	-10,000
Proceeds from long-term loans payable	15,000
Repayment of long-term loans payable	-13,991
Increase in short-term loans payable	225,612
Decrease in short-term loans payable	-216,099
Proceeds from issuance of commercial papers	97,000
Redemption of commercial papers	-105,000
Cash dividends paid	-12,471
Other, net	-299
Net cash provided by (used in) financing activities	99,388
Net increase (decrease) in cash and cash equivalents	6,516
Cash and cash equivalents at beginning of period	17,634
Cash and cash equivalents at end of period	24,151

Business Segment Information

Nine Months Ended December 31, 2008 (April 1, 2008 – December 31, 2008)

(Million yen)

	Electric utility	Other business	Total	Eliminations	Consolidated
Operating revenues					
Sales to customers	403,255	15,366	418,622	-	418,622
Intersegment sales	684	52,280	52,964	-52,964	-
Total operating revenues	403,940	67,646	471,587	-52,964	418,622
Operating income (loss)	-31,698	3,245	-28,452	426	-28,025

Consolidated Statements of Income (The same period of the previous year)

(Million yen)

Item	April 1, 2007– December 31, 2007
Operating revenue	400,553
Electric utility operating revenue	386,133
Other business operating revenue	14,420
Operating expenses	371,079
Electric utility operating expenses	358,433
Other business operating expenses	12,645
Operating income	29,474
Non-operating income	2,432
Dividends income	569
Interest income	360
Gain on sales of fixed assets	449
Other	1,052
Non-operating expenses	11,359
Interest expenses	10,218
Equity in losses of affiliates	89
Other	1,051
Total ordinary revenues	402,986
Total ordinary expenses	382,439
Ordinary income	20,547
Provision or reversal of reserve for fluctuation in water levels	-2,124
Reversal of reserve for fluctuation in water levels	-2,124
Extraordinary loss	3,116
Provision for reserve for loss on liquidation of affiliates	3,116
Income before income taxes and minority interests	19,555
Income taxes-current	7,074
Income taxes-deferred	-33
Minority interests in income	216
Net income	12,298

Details of revisions of the forecasts

[A] Forecast released in October 31
Ordinary Loss for the year ending March 31, 2009: Consolidated Approx. 44 billion yen

Factors for improved performance	Factors for weakened performance																		
<p>Revision of fuel price factors Approx. 24 billion yen</p> <p>(Based on the recent trends, fuel price factors including those of crude oil prices were revised.)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;"></th> <th style="width:25%;">Previous forecasts released in October 31 (A)</th> <th style="width:25%;">Revised Forecasts (B)</th> <th style="width:35%;">Increase/Decrease (B)-(A)</th> </tr> </thead> <tbody> <tr> <td>Foreign Exchange Rate</td> <td>Approx. 105 yen/\$</td> <td>Approx. 101 yen/\$</td> <td>Approx.-4 yen/\$</td> </tr> <tr> <td>CIF Crude Oil Price</td> <td>Approx. 110 \$/bl</td> <td>Approx. 92 \$/bl</td> <td>Approx.-18\$/bl</td> </tr> </tbody> </table> <p>(Foreign Exchange Rate) • Previous forecast: October 2008-March 2009 Approx. 105 yen/\$ • Revised forecast : January 2009-March 2009 Approx. 95 yen/\$</p> <p>(CIF Crude Oil Price) • Previous forecast: October 2008-March 2009 Approx. 100 \$/bl • Revised forecast : January 2009-March 2009 Approx. 50 \$/bl</p> <p style="text-align: right;">Total Approx. 24 billion yen</p>		Previous forecasts released in October 31 (A)	Revised Forecasts (B)	Increase/Decrease (B)-(A)	Foreign Exchange Rate	Approx. 105 yen/\$	Approx. 101 yen/\$	Approx.-4 yen/\$	CIF Crude Oil Price	Approx. 110 \$/bl	Approx. 92 \$/bl	Approx.-18\$/bl	<p>Decrease in electricity sales •• minor effect • Approx. -0.4TWh (32.8TWh - 32.4TWh) • Effect on the balance is minor due to decrease in fuel cost.</p> <p style="text-align: center;"><Operating Revenues> (Billion yen)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:33%;">Previous forecasts released in October 31 (A)</th> <th style="width:33%;">Revised Forecasts (B)</th> <th style="width:34%;">Increase/Decrease (B)-(A)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Approx. 610</td> <td style="text-align: center;">Approx. 605</td> <td style="text-align: center;">Approx. -5</td> </tr> </tbody> </table> <p>Increase in fuel cost due to decrease in imported-coal-fired thermal power output Approx. 6 billion yen</p> <p>Increase in thermal power fuel usage due to drought from October 2008 to March 2009 Approx. 5 billion yen</p> <p>(Water flow rate for the year ending March 2009) • Previous forecast: Approx. 84% • Revised forecast: Approx. 78%</p> <p>Increase in maintenance cost and other expenses (Move up of periodic inspections of a thermal power plant due to the revision of the maintenance plan for 2009, increase in data processing cost, etc.) Approx. 7 billion yen</p> <p style="text-align: right;">Total Approx. 18 billion yen</p>	Previous forecasts released in October 31 (A)	Revised Forecasts (B)	Increase/Decrease (B)-(A)	Approx. 610	Approx. 605	Approx. -5
	Previous forecasts released in October 31 (A)	Revised Forecasts (B)	Increase/Decrease (B)-(A)																
Foreign Exchange Rate	Approx. 105 yen/\$	Approx. 101 yen/\$	Approx.-4 yen/\$																
CIF Crude Oil Price	Approx. 110 \$/bl	Approx. 92 \$/bl	Approx.-18\$/bl																
Previous forecasts released in October 31 (A)	Revised Forecasts (B)	Increase/Decrease (B)-(A)																	
Approx. 610	Approx. 605	Approx. -5																	
[B] Balance: Approx. 6 billion yen improved																			

[A] + [B] Revised Forecasts
Ordinary Loss for the year ending March, 2009: Consolidated Approx. 38 billion yen

Major factors for the ordinary loss

<p>Repairs of the inlet nozzle weldment of steam generators at the Tomari Nuclear Power Plant.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:10%;"></th> <th style="width:20%;">Repair Cost</th> <th style="width:20%;">Increase in fuel Cost</th> <th style="width:50%;">Total</th> </tr> </thead> <tbody> <tr> <td>Unit 1</td> <td style="text-align: center;">- 8.0 billion yen</td> <td style="text-align: center;">- 6.8 billion yen</td> <td style="text-align: center;">- 14.8 billion yen</td> </tr> <tr> <td>Unit 2</td> <td style="text-align: center;">- 3.9 billion yen</td> <td style="text-align: center;">- 17.6 billion yen</td> <td style="text-align: center;">- 21.5 billion yen</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">- 11.9 billion yen</td> <td style="text-align: center;">- 24.4 billion yen</td> <td style="text-align: center;">- 36.3 billion yen</td> </tr> </tbody> </table>		Repair Cost	Increase in fuel Cost	Total	Unit 1	- 8.0 billion yen	- 6.8 billion yen	- 14.8 billion yen	Unit 2	- 3.9 billion yen	- 17.6 billion yen	- 21.5 billion yen	Total	- 11.9 billion yen	- 24.4 billion yen	- 36.3 billion yen	<p>Approx. - 36.3 billion yen</p>
	Repair Cost	Increase in fuel Cost	Total														
Unit 1	- 8.0 billion yen	- 6.8 billion yen	- 14.8 billion yen														
Unit 2	- 3.9 billion yen	- 17.6 billion yen	- 21.5 billion yen														
Total	- 11.9 billion yen	- 24.4 billion yen	- 36.3 billion yen														
<p>Increase in thermal power fuel usage due to drought (compared with the average year) (Including the effects of the increase in thermal power fuel usage due to drought from October 2008 to March 2009: Approx. 5 billion yen)</p>	<p>Approx. - 17.0 billion yen</p>																
<p>Effects of no application of fuel cost adjustment to charges for October to December 2008 and freeze in charges for September 2008, for the purpose of reducing the burden on customers</p>	<p>Approx. - 8.0 billion yen</p>																
<p>Effects of the reduction of fuel cost adjustment (for the customers in the regulated market) from January to March 2009, in order to equalize electricity charges.</p>	<p>Approx. - 5.0 billion yen</p>																
<p>Total</p>	<p>Approx. - 66.3 billion yen</p>																

Note: minus (-) indicates deterioration of the balance of income and expenditures.

Note: The information shown above is an English translation of the " Financial Release for the Nine-months Ended December 31, 2008" which was filed with stock exchanges (Tokyo, Osaka, Sapporo) on the date shown above and the other references.