

Financial Release for the Six months Ended September 30, 2009

October 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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Commencement of payment of interim dividend: November 30, 2009

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

I. Consolidated Results for the Six Months (April 1, 2009 – September 30, 2009)

(1) Consolidated Business Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 1, 2009–September 30, 2009	257,541	(6.4)	17,834	-	10,547	-	3,560	-
April 1, 2008–September 30, 2008	275,102	-	(23,310)	-	(29,905)	-	(17,991)	-

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, 2009–September 30, 2009	16.91	-
April 1, 2008–September 30, 2008	(85.40)	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of September 30, 2009	1,623,509	418,040	25.1	1,937.62
As of March 31, 2009	1,635,023	419,983	25.1	1,947.01

Reference: Shareholders' Equity: As of September 30, 2009 408,062 million yen As of March 31, 2009 410,051 million yen

II. Dividends

Cash dividend

	Cash dividends per share				
	June 30, 2009	September 30, 2009	December 31, 2009	Year-ended	Annual total
	Yen	Yen	Yen	Yen	Yen
April 1, 2008 – March 31, 2009	-	30.00	-	30.00	60.00
April 1, 2009 – March 31, 2010	-	25.00			
April 1, 2009 – March 31, 2010 (Forecast)			-	25.00	50.00

Note: Changes of the forecast of the cash dividends per share in this period: None

III. Forecasts of Consolidated Results for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
April 1, 2009 – March 31, 2010	544,000	(8.5)	28,000	-	14,000	-	5,000	-	23.74

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of consolidated results in this period: Yes

* 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.

(Reference)

Forecasts of Non-consolidated Results for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income Per Share (primary)
April 1, 2009 – March 31, 2010	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	523,000	(8.8)	23,000	-	9,000	-	3,000	-	14.24

Note 1: Percentage figures represent changes as compared to the same period of the previous year.

Note 2: Changes of the forecasts of non-consolidated results in this period: Yes

Results of Production and Sales [Electric Utility Business]

1. Sales

Electricity Sales

(GWh)

	April 1, 2009– September 30, 2009 (A)	April 1, 2008– September 30, 2008 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2008 – March 31, 2009
Non-eligible customers					
Residential	5,330	5,244	86	101.6	11,639
Commercial and industrial	835	820	15	101.8	2,258
Subtotal	6,165	6,064	101	101.7	13,897
Eligible customers	8,482	9,135	(653)	92.9	17,942
Total	14,647	15,199	(552)	96.4	31,839

2. Production

Power Supply

(GWh)

	April 1, 2009 – September 30, 2009 (A)	April 1, 2008 – September 30, 2008 (B)	Increase/decrease (A) - (B)	Comparison (%) (A) / (B)	April 1, 2008 – March 31, 2009
Hokkaido Electric Power Co., Inc.					
[Water flow rate %]	[111.6]	[79.9]	[31.7]		[80.5]
Hydroelectric	2,436	1,750	686	139.2	2,811
Fossil fuel	6,708	10,323	(3,615)	65.0	21,176
[Nuclear capacity ratio %]	[71.3]	[51.9]	[19.4]		[66.2]
Nuclear	5,139	2,639	2,500	194.7	6,777
Subtotal	14,283	14,712	(429)	97.1	30,764
Purchased power	2,063	2,230	(167)	92.5	5,100
Interchange power	(90)	2	(92)	-	(3)
Power used for pumped storage	(63)	(61)	(2)	104.3	(71)
Total	16,193	16,883	(690)	95.9	35,790

Note 1: Amount of power generated in trial operation is excluded from the calculation of nuclear capacity ratio.

Note 2: Amount of power generated from consolidated subsidiaries, Hokkaido Power Engineering and HOKUDEN ECO-ENERGY, is included in purchased power.

Forecasts of Consolidated Results for the Full Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

The forecasts of consolidated results for the full year ending March 2010, which was released on July 30, 2009, have been revised as shown below.

(Million yen)

	April 1, 2009 – March 31, 2010		
		Increase/decrease compared with the previous forecasts released on July 30	Increase/decrease compared with the previous term
Operating Revenue	544,000	(3,000)	(50,000)
Operating Income	28,000	2,000	45,000
Ordinary Income	14,000	2,000	45,000
Net Income	5,000	(1,000)	29,000

Key Factors

	April 1, 2009 – March 31, 2010	
		Previous forecasts released on July 30
Electricity sales	Approx. 31.4 TWh	Approx. 31.9 TWh
Foreign Exchange Rate	Approx. 93 yen/\$	Approx. 95 yen/\$
CIF Crude Oil Price	Approx. 66 \$/bl	Approx. 60 \$/bl
Nuclear Capacity Ratio	Approx. 80 %	Approx. 78 %

Sensitivity Factors

Foreign Exchange Rate (1 yen/\$)	Approx. 0.7 billion yen	Approx. 0.7 billion yen
CIF Crude Oil Price (1 \$/bl)	Approx. 0.5 billion yen	Approx. 0.6 billion yen
Nuclear Capacity Ratio (1 %)	Approx. 1.3 billion yen	Approx. 1.2 billion yen
Interest (1 %)	Approx. 1.1 billion yen	Approx. 1.1 billion yen

Note 1: The average Foreign Exchange Rate from October 1, 2009 through March 31, 2010 is assumed Approx. 90 yen/\$.

The average price of CIF Crude Oil from October 1, 2009 through March 31, 2010 is assumed Approx. 70 \$/bl.

Note 2: Amount of power generated in trial operation is excluded from the calculation of nuclear capacity ratio.

(Reference)

Forecasts of Non-consolidated Results for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Million yen)

	April 1, 2009 – March 31, 2010		
		Increase/decrease compared with the previous forecasts released on July 30	Increase/decrease compared with the previous term
Operating Revenue	523,000	(3,000)	(50,000)
Operating Income	23,000	2,000	45,000
Ordinary Income	9,000	2,000	45,000
Net Income	3,000	(1,000)	29,000

Consolidated Balance Sheets

(Million yen)

Item	As of September 30, 2009 (A)	As of March 31, 2009 (B)
Assets		
Noncurrent assets	1,486,475	1,506,488
Electric utility plant and equipment	873,825	890,215
Hydroelectric power production facilities	120,025	123,155
Thermal power production facilities	109,569	115,456
Nuclear power production facilities	79,282	79,655
Transmission facilities	183,887	186,712
Transformation facilities	82,074	83,528
Distribution facilities	258,750	259,922
General facilities	38,689	40,144
Other electric utility plant and equipment	1,545	1,639
Other noncurrent assets	48,704	50,021
Construction in progress	346,068	354,125
Construction in progress	345,794	353,998
Retirement in progress	274	127
Nuclear fuel	77,150	76,204
Loaded nuclear fuel	20,202	19,700
Nuclear fuel in processing	56,948	56,504
Investments and other assets	140,725	135,921
Long-term investments	37,638	36,354
Deferred tax assets	66,448	67,060
Other	36,812	32,833
Allowance for doubtful accounts	(173)	(326)
Current assets	137,034	128,534
Cash and deposits	39,125	40,421
Notes and accounts receivable-trade	27,008	34,363
Inventories	32,598	32,147
Deferred tax assets	6,118	6,112
Other	32,543	15,891
Allowance for doubtful accounts	(359)	(401)
Total	1,623,509	1,635,023
Liabilities and Net Assets		
Liabilities		
Noncurrent liabilities	957,841	975,879
Bonds payable	543,790	543,789
Long-term loans payable	215,322	230,597
Provision for retirement benefits	74,138	78,163
Provision for reprocessing of irradiated nuclear fuel	69,286	69,185
Provision for preparation of the reprocessing of irradiated nuclear fuel	3,844	3,202
Provision for decommissioning of nuclear power units	42,463	41,266
Reserve for loss on liquidation of affiliates	3,132	3,145
Other	5,862	6,529
Current liabilities	241,774	236,668
Current portion of noncurrent liabilities	78,226	47,859
Short-term loans payable	48,700	52,772
Notes and accounts payable-trade	18,991	25,465
Accrued taxes	16,339	7,879
Other	79,516	102,692
Reserves under the special laws	5,854	2,492
Reserve for fluctuation in water levels	5,854	2,492
Total Liabilities	1,205,469	1,215,040
Net assets		
Shareholders' equity	406,142	408,910
Capital stock	114,291	114,291
Capital surplus	21,174	21,174
Retained earnings	279,557	282,315
Treasury stock	(8,881)	(8,872)
Valuation and translation adjustments	1,919	1,141
Valuation difference on available-for-sale securities	1,917	1,141
Deferred gains or losses on hedges	2	-
Minority interests	9,977	9,931
Total Net Assets	418,040	419,983
Total	1,623,509	1,635,023

Consolidated Statements of Income

(Million yen)

Item	April 1, 2008– September 30, 2008	April 1, 2009– September 30, 2009
Operating Revenue	275,102	257,541
Electric utility operating revenue	265,458	247,604
Other business operating revenue	9,643	9,937
Operating Expenses	298,412	239,707
Electric utility operating expenses	290,185	230,955
Other business operating expenses	8,226	8,751
Operating Income (Loss)	(23,310)	17,834
Non-operating Income	1,454	1,110
Dividends income	358	214
Interest income	307	271
Equity in earnings of affiliates	164	134
Other	624	490
Non-operating Expenses	8,049	8,397
Interest expenses	6,933	7,768
Other	1,116	629
Total ordinary revenue	276,556	258,652
Total ordinary expenses	306,462	248,104
Ordinary Income (Loss)	(29,905)	10,547
Provision or reversal of reserve for fluctuation in water levels	(3,299)	3,362
Provision of reserve for fluctuation in water levels	-	3,362
Reversal of reserve for fluctuation in water levels	(3,299)	-
Income (loss) before income taxes and minority interests in income (loss)	(26,605)	7,185
Income taxes-current	(9,669)	3,311
Income taxes-deferred	785	145
Total income taxes	(8,883)	3,456
Minority interests in income	269	168
Net Income (Loss)	(17,991)	3,560

Consolidated Statements of Cash Flows

(Million yen)

Account	April 1, 2008 – September 30, 2008	April 1, 2009 – September 30, 2009
Net Cash Provided by (Used in) Operating Activities		
Income (loss) before income taxes	(26,605)	7,185
Depreciation and amortization	34,340	55,553
Amortization of nuclear fuel	1,274	2,811
Increase (decrease) in provision for retirement benefits	(4,719)	(4,025)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(1,178)	-
Increase (decrease) in provision for decommissioning of nuclear power units	657	1,197
Interest and dividends income	(665)	(486)
Interest expenses	6,933	7,768
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	744	(3,979)
Decrease (increase) in notes and accounts receivable-trade	3,548	7,404
Decrease (increase) in inventories	(17,791)	-
Increase (decrease) defined-contribution pension liability	(1,844)	-
Increase (decrease) in notes and accounts payable-trade	4,561	(6,505)
Other, net	351	9,381
Subtotal	(394)	76,304
Interest and dividends income received	660	506
Interest expenses paid	(6,639)	(7,676)
Income taxes paid	(6,391)	(1,383)
Net cash provided by (used in) operating activities	(12,764)	67,751
Net Cash Provided by (Used in) Investment Activities		
Purchase of noncurrent assets	(45,936)	(63,105)
Payments of investment and loans receivable	(8,922)	(12,199)
Collection of investment and loans receivable	8,868	11,985
Other, net	206	256
Net cash provided by (used in) investment activities	(45,783)	(63,062)
Net Cash Provided by (Used in) Financing Activities		
Proceeds from issuance of bonds	79,760	19,933
Proceeds from long-term loans payable	5,000	1,000
Repayment of long-term loans payable	(10,958)	(5,905)
Increase in short-term loans payable	130,022	107,575
Decrease in short-term loans payable	(123,122)	(111,300)
Proceeds from issuance of commercial papers	87,000	13,000
Redemption of commercial papers	(99,000)	(13,000)
Cash dividends paid	(6,320)	(6,309)
Other, net	(220)	(178)
Net cash provided by (used in) financing activities	62,160	4,815
Net Increase (Decrease) in Cash and Cash Equivalents	3,611	9,504
Cash and Cash Equivalents at Beginning of Period	17,634	40,421
Cash and Cash Equivalents at End of Period	21,246	49,925

Business Segment Information

Six Months Ended September 30, 2008 (April 1, 2008 – September 30, 2008)

(Million yen)

	Electric utility	Other business	Total	Eliminations	Consolidated
Operating revenue					
Sales to customers	265,458	9,643	275,102	-	275,102
Intersegment sales	509	32,335	32,845	(32,845)	-
Total operating revenue	265,968	41,979	307,947	(32,845)	275,102
Operating income (loss)	(25,902)	2,132	(23,769)	459	(23,310)

Six Months Ended September 30, 2009 (April 1, 2009 – September 30, 2009)

(Million yen)

	Electric utility	Other business	Total	Eliminations	Consolidated
Operating revenue					
Sales to customers	247,604	9,937	257,541	-	257,541
Intersegment sales	510	31,085	31,596	(31,596)	-
Total operating revenue	248,114	41,023	289,137	(31,596)	257,541
Operating income	16,279	1,150	17,429	404	17,834

Note: The information shown above is an English translation of the " Financial Release for the Six months Ended September 30, 2009" which was filed with stock exchanges (Tokyo, Osaka, Sapporo) on the date shown above.