ANNUAL REPORT 2013

Hokuriku Electric Power Company

Corporate Profile

Hokuriku Electric Power Company established on May 1, 1951, supplies electricity through integrated power generation, transmission and distribution systems as one of the ten general electric utilities in Japan.

Our principle service area covers three prefectures, Toyama, Ishikawa and Fukui (with a combined total population of around 3 million in 12,600 km²), all located along the Sea of Japan in central Honshu.

At present (as of the end of March 2013), Hokuriku Electric Power Company serves approximately 2.10 million customers on contracts, including 1.86 million for lighting service and remaining 0.23 million for power supply service, and its electricity sales amounted to 28.1 billion kWh.

Putting the highest priority on building up a firm relationship of mutual trust with customers and keeping in mind that safety should come first, we aim at further improving the overall efficiency of our operations and management, while taking positive steps to diversify power sources with nuclear power as the principal element of our power generation mix, secure a stable supply of electricity, maintain reliable power service and address global environmental challenges.

As a leading private corporation in the Hokuriku region, we actively participate in various projects for economic and cultural development of the local communities in our service area.

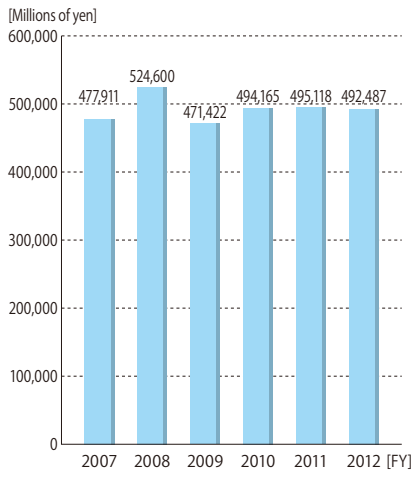
Contents

Highlights

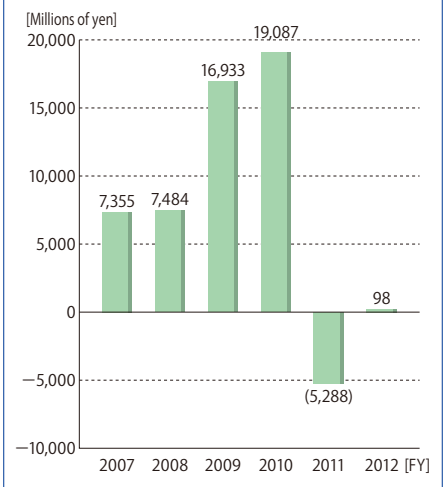
	FY2012	FY2011	FY2012
CONSOLIDATED			
Operating revenue	492,487 millions of yen	495,118 millions of yen	5,239,783 thousands of U.S. dollars
Operating income	11,758 millions of yen	11,661 millions of yen	125,100 thousands of U.S. dollars
Net income (loss)	98 millions of yen	(5,288 millions of yen)	1,044 thousands of U.S. dollars
Net income (loss) per share	0.47 yen	(25.32 yen)	0.005 U.S. dollars
Total assets	1,395,976 millions of yen	1,385,922 millions of yen	14,852,391 thousands of U.S. dollars
NON-CONSOLIDATED			
Operating revenue	479,502 millions of yen	483,395 millions of yen	5,101,628 thousands of U.S. dollars
Operating income	8,040 millions of yen	7,999 millions of yen	85,547 thousands of U.S. dollars
Net income (loss)	(2,310 millions of yen)	(6,645 millions of yen)	(24,577 thousands of U.S. dollars)
Net income (loss) per share	(11.06 yen)	(31.82 yen)	(0.11 U.S. dollars)
Cash dividends	50.00 yen	50.00 yen	0.53 U.S. dollars
Total assets	1,366,144 millions of yen	1,358,137 millions of yen	14,534,997 thousands of U.S. dollars
Electricity sales	28,075 millions of kWh	28,898 millions of kWh	
Number of customers	2,097 thousands	2,091 thousands	
System peak load	5,264 MW	5,334 MW	
Generating capacity	8,061 MW	8,058 MW	
Hydroelectric	1,906 MW	1,905 MW	
Thermal	4,400 MW	4,400 MW	
Nuclear	1,746 MW	1,746 MW	
New energy	9 MW	7 MW	

At the rate of ¥93.99 = U.S.$1.00

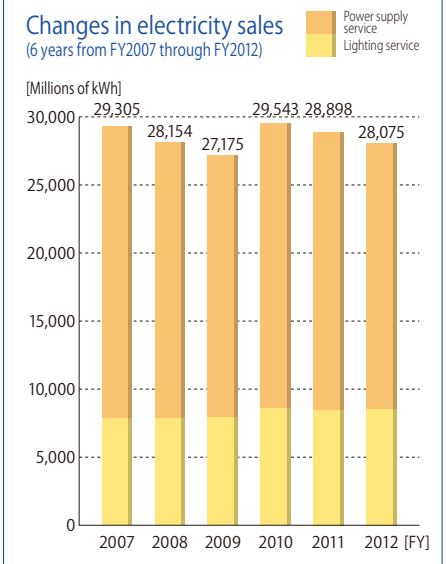
Changes in operating revenue (consolidated)
(6 years from FY2007 through FY2012)



Changes in net income (consolidated)
(6 years from FY2007 through FY2012)



Changes in electricity sales
(6 years from FY2007 through FY2012)



Hokuriku Electric Power Group seeks to serve as your trustworthy and chosen partner by steadily fulfilling social mission of "ensuring stable supply of low-cost and high-quality energy."

Left: Isao Nagahara, Chairman of the Board
Right: Susumu Kyuwa, President

At present, all nuclear power stations in Japan are forced to suspend their operations and a tight power supply-demand situation continues throughout the country. As large increases in fuel costs caused by such situation deteriorate profitability of electric utilities, many electric utilities are put in a situation to have no choice but to raise electricity rates. In order to cope with such difficult situation, while striving to ensure supply capability, we have made our utmost efforts to promote measures for reinforcement of safety of Shika Nuclear Power Station and further streamline management and operations of all of our group companies.

We will pursue world's highest level of safety of Shika Nuclear Power Station.

As for safety measures at Shika Nuclear Power Station, with a strong determination to prevent an accident like the one that happened at Fukushima Daiichi Nuclear Power Station, we at Hokuriku Electric Power Company are steadily working on measures for reinforcement of safety which we have exerted right after the earthquake disaster. In addition, we have been voluntarily considering actions and responses that are believed to be necessary for improving safety further before the new safety standards took effect. On June 17, we began some of our construction work at the power station, including the installation of filtered vent equipment for containment vessel. We will steadily continue efforts to satisfy the new safety standards that took effect on July 8.

As for an additional survey on the seams in the site of Shika Nuclear Power Station, we have confirmed that the activity of the seams is in the level that poses little problem and the seams are not active faults that should be taken into consideration in design for earthquake resistance, and on June 6, we submitted a report to the Nuclear Regulation Authority (NRA). We are carrying out survey on the relations with the faults distributed around the power station site for submission of the final report scheduled for late September.

Toward the resumption of operation of Shika Nuclear Power Station as early as possible, we will aim our efforts at ensuring safety to bring comfort and relief to the people in the local communities, satisfying the new safety standards, and pursuing the world's highest level of safety.

We abide by ensuring stable electricity supply.

Last year we experienced a tough supply-demand situation due to the prolonged shutdown of Shika Nuclear Power Station. In such situation, we implemented various measures to ensure supply capability, including rescheduling repairs of hydroelectric and thermal power stations, in addition to cooperation by the customers for saving electricity and energy, which have resulted in realization of stable electricity supply.

Moreover, as part of our efforts to ensure stable electricity supply over the medium- and long-term and move towards development of power sources using less carbon resources, we will steadily construct LNG fired Unit 1 of Toyama Shinko Thermal Power Station, which will be our first LNG fired power generation facility. Also, we are actively introducing renewable energy sources, including enhancing the output of Katakai Betsumata Power Station and development of Mikuni Wind Power Station which is undertaken by the Nihonkai Power Generating, one of our group companies.

We will try to improve efficiency further to enhance competitiveness.

With regard to the electric power system reform, a roadmap has been produced and decided by the Cabinet to establish an organization for wide-area transmission system operators in two years and full liberalization of retail sector in three years, which will drastically change the environment surrounding the electricity industry.

With viewing the ongoing reform as an opportunity for growth and evolution, we are committed to cope with it under the principle of placing emphasis on the benefits of customers, challenge further streamlining management and operations with putting first priority on safety, and continue delivering electricity at inexpensive prices to the customers. Also, by meeting the customers' requirements including strengthening relationships with the customers through proposing energy-saving or comfort enhancement measures, we intend to improve our competitiveness in preparation for full liberalization of electricity industry.

We will exert our efforts that are trusted by local communities.

Ever since Hokuriku Electric Power Company was established in May 1951 with the support of our customers in the Hokuriku region, our steadfast commitment to contribute to development of the local communities through electric power business runs deep in our corporate culture. We always put top priority on trust-based relationships with people in the local communities, and conduct activities that promote mutual understanding in order to help them understand our group's efforts. Also, we will keep up our efforts to work together with people in the Hokuriku region and protect the local environment, in order to resolve local problems and revitalize the local economy.

Keeping in mind the sense of mission that we will stably supply low-cost and high-quality energy, we will aim to create Hokuriku Electric Power Group that will serve as your trustworthy and chosen partner by having every one of our employees faithfully and appropriately respond to expectations and requests of our stakeholders (customers, local communities, shareholders, investors, vendors and employees) and by practicing corporate social responsibility (CSR).

Isao Nagahara
Chairman of the Board

Susumu Kyuwa
President

Glimpse of Hokuriku Region

The Hokuriku region, our service area, is conveniently situated within 300 km of Japan's three major metropolitan areas - Tokyo, Osaka and Nagoya. This geographical advantage combines with a desirable natural environment and an abundant labor force to give Hokuriku region a great growth potential and a promising future.

The combined gross domestic product of the three prefectures in the Hokuriku region - Toyama, Ishikawa and Fukui - reached ¥11.9 trillion (in nominal terms in FY2010), which is equivalent to the GDP level of New Zealand, Hungary, etc.

As the gateway to the nations bordering the Sea of Japan, the Hokuriku region has recently come to be considered the frontiers of new developments in the 21st century.

The development and expansion of transportation systems have reduced the traveling time between Hokuriku and other regions of Japan, particularly the three major metropolitan areas, leading to further promotion of human and economic exchanges.

Tateyama chain of mountains

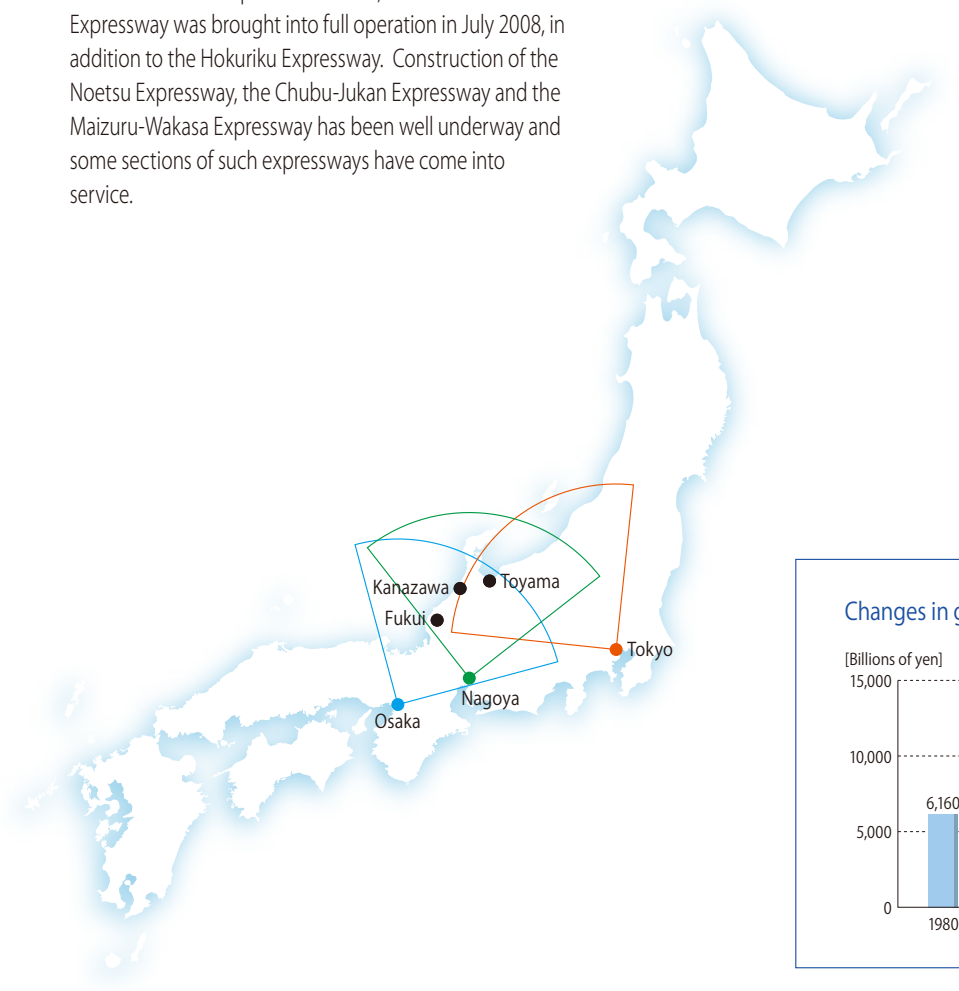
In the railway sector, the Tokyo-Nagano section of the Hokuriku Shinkansen bullet train service has gone into commercial operation while the construction work in the Nagano-Kanazawa section is well underway toward the start of commercial operation at the end of FY2014. Additionally, the construction work in the Kanazawa and Tsuruga section was approved in June 2012, and it started in August the same year.

In the road transportation sector, the Tokai-Hokuriku Expressway was brought into full operation in July 2008, in addition to the Hokuriku Expressway. Construction of the Noetsu Expressway, the Chubu-Jukan Expressway and the Maizuru-Wakasa Expressway has been well underway and some sections of such expressways have come into service.

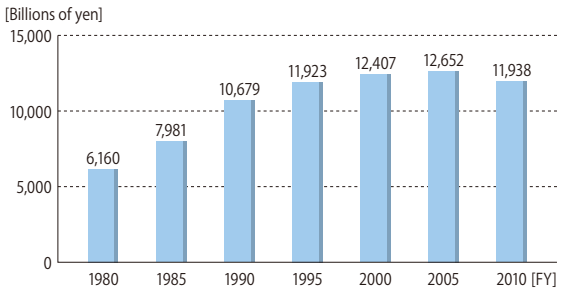
In the sea transportation sector, Fushiki Toyama port was designated as an integrated hub port and Kanazawa and Tsuruga ports as functional ports in November 2011 to work as major sea ports along the Sea of Japan.

Hokuriku has a rich cultural heritage and a wealth of scenic and historic sites, and many traditional crafts fostered by the cultural climate of the region are still thriving.

To the east lie the Japan Alps, a range of mountains rising 3,000 meters above the sea. From these mountains flow the rivers that provide Hokuriku with plentiful water resources. The low-cost, abundant hydroelectric power generated by abundant water resources of these rivers led to early development of the heavy chemical industries such as steel, chemical and textile industries. In addition to its role as a major production center for aluminum products, machinery and other goods, Hokuriku is home to numerous world-famous enterprises and is the leading industrial region along the Sea of Japan.



Changes in gross domestic product of the Hokuriku region

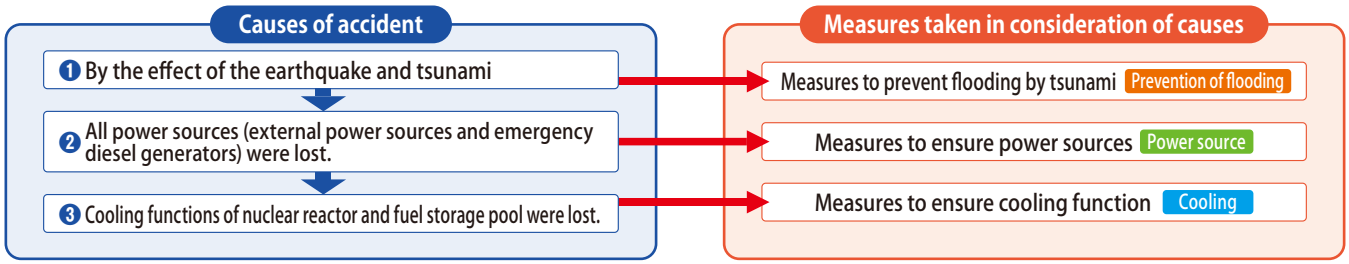


1. For Further Improvement of Safety of Shika Nuclear Power Station

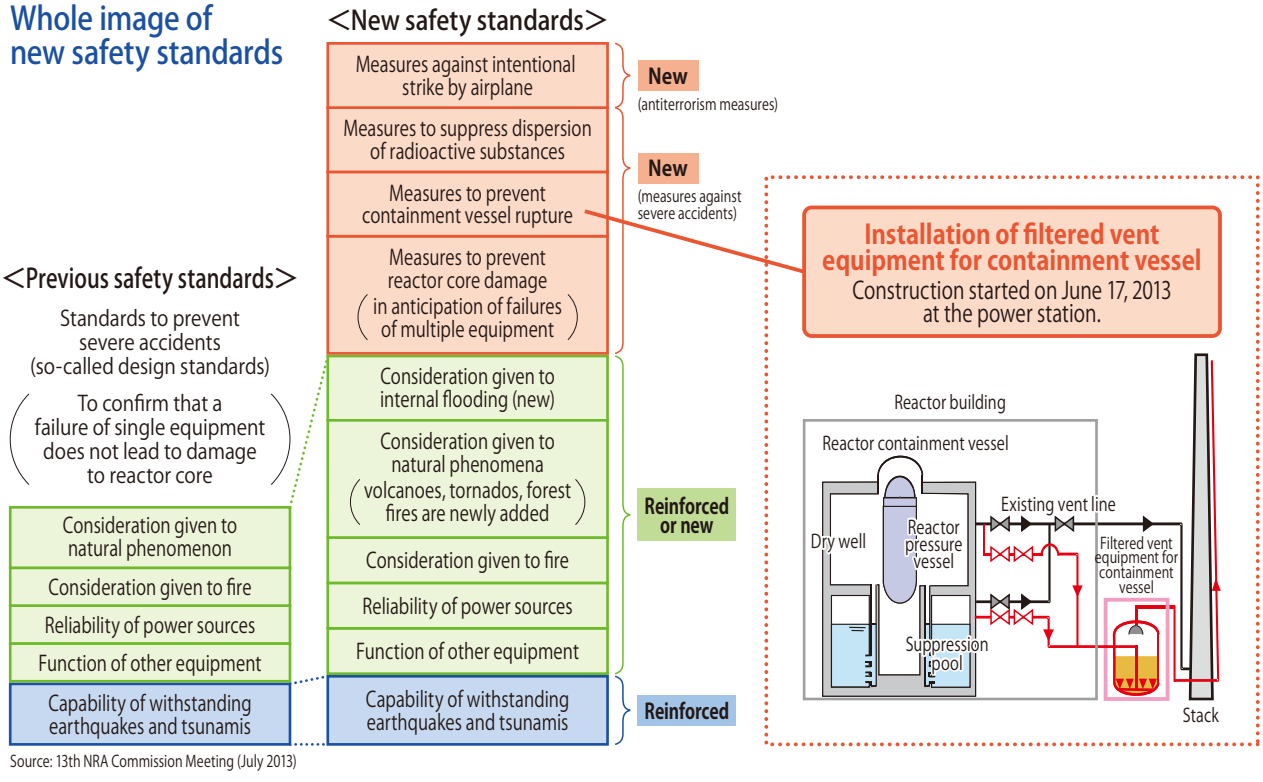
Safety measures at Shika Nuclear Power Station aiming for world's highest level of safety

- With a strong determination to prevent an accident like the one that happened at Fukushima Daiichi Nuclear Power Station, **we completed "Emergency Safety Measures" in April 2011** immediately following the Great East Japan Earthquake, and in addition to that, we have steadily promoted **"additional measures"** to further improve reliability.
- Moreover, based on the new safety standards, study of the measures to enhance the safety of Shika Nuclear Power Station is underway, with implementing work where ready to start, such as the installation of filtered vent equipment for containment vessel.
- Toward the resumption of operation of Shika Nuclear Power Station as early as possible, **we will satisfy the new safety standards and pursue the world's highest level of safety**, in order to bring comfort and relief to the people in the local communities.

Causes of accident at Fukushima Daiichi Nuclear Power Station and measures taken by Hokuriku Electric Power Company



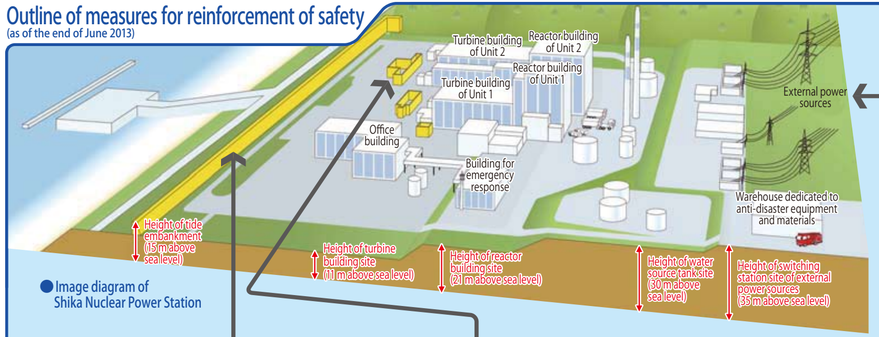
Whole image of new safety standards



Source: 13th NRA Commission Meeting (July 2013)

Outline of measures for reinforcement of safety

(as of the end of June 2013)



● Image diagram of Shika Nuclear Power Station

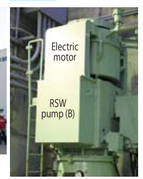
Construction of tide embankment Completed

Tide embankment of about 700 meters long was constructed along the coastal area where the power station is located to prevent flooding caused by tsunami into the power station site. Prevention of flooding

Establishment of means to restore functions of component cooling water system pumps flooded Completed

In preparation for the case where pumps necessary to cool reactors and spent fuel storage pools are flooded by tsunami, additional electric motors are prepared for backup use. Cooling

Scene of training to restore electric motor

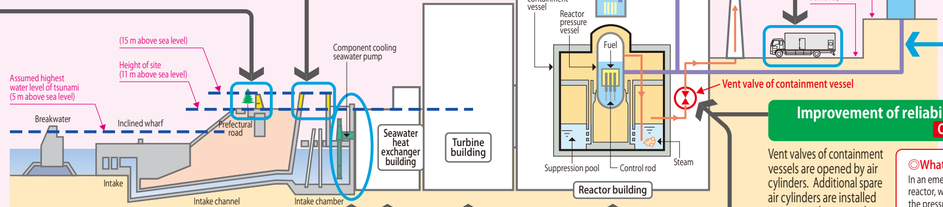


Installation of alternative to heat exchange seawater pump for component cooling water system Completed

Assuming the case that a seawater pump gets out of order, a large-capacity submersible pump is installed for circulation cooling as an alternative. Cooling

Construction of tide barriers around intake chambers and discharge chambers Completed

Four-meter high tide barriers (15 meters above sea level) were constructed around intake and discharge chambers to prevent flooding of seawater from intake and outlet into the power station site at the time of tsunami occurrence. Prevention of flooding



Reinforcement of measures against flooding Completed

Measures were taken that doors were replaced with watertight ones to prevent flooding into each building. Prevention of flooding

- Seawater heat exchanger building
- Turbine building
- Reactor building

Door with higher watertightness

Installation of power sources exclusive to containment vessel vent Completed

To improve the diversity of power sources, backup power sources exclusive to vent valves are installed. Cooling

Improvement of seismic margin of pipes Completed

It has been made possible to inject water for sure by conducting construction work to improve seismic margin of pipes. Cooling

Additional measures

These are measures to further improve reliability, such as preventing flooding caused by tsunami.

Early restoration and ensuring of reliability of external power sources Partially completed

- Equipment, materials and work procedures were reviewed and revised with the aim of early recovery of 66 kV transmission line (Akasumi line). Completed
- Measures are taken to enable electricity supply from all transmission lines (Shika Nakanoto line, Shika Nuclear Power Station line and Akasumi line) to Units 1 and 2. Power source

Ensuring of emergency power sources Completed

Scene of training to connect to power sources

It is made possible to cool nuclear fuels for sure by ensuring electricity with power supply vehicles, monitoring the power station and continuously injecting water even if all power sources are lost. Power source

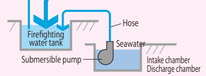
[Specifications of power supply vehicles]
300 kVA x 6 vehicles
(Backup use with deployment of large-capacity power supply vehicles)

Power supply vehicles

Water injection from fire engines Completed

It has also been made possible for fire engines stationed at the power station to inject water into reactors and spent fuel storage pools. Cooling

Scene of water injection training



Improvement of reliability of containment vessel vent Completed

Vent valves of containment vessels are opened by air cylinders. Additional spare air cylinders are installed to actuate the vent valves without fail. Cooling

◎What is containment vessel vent?

In an emergency, nuclear fuels are cooled by injecting water into a reactor, while releasing steam in the air. For the sake of preventing the pressure increase in a containment vessel by this steam, the pressure is released from a vent valve of the containment vessel to a stack. This is called "containment vessel vent."

Deployment of emergency power sources (large capacity) Completed

Large-capacity power supply vehicles have been deployed to ensure power sources for water circulation and cooling equipment using seawater, in addition to monitoring, water injection and cooling equipment. Power source

[Specifications of power supply vehicles] 4,000 kVA x 2 vehicles

Large-capacity power supply vehicles

Diversification of water sources Partially completed

It has been possible to use Otsubogawa Dam's large-capacity water source as one of the sources of water to be injected into reactors and spent fuel storage pools. Cooling

- Installation of submersible pumps, hose and other equipment for water intake Completed
- Improvement of earthquake resistance reliability of condensate storage tank and other equipment
- Additional installation of earthquake resistant water storage tank Completed

← Otsubogawa Dam

Scene of water intake training from Otsubogawa Dam →

Additional deployment of fire engines Completed

A total of five vehicles including a water tank vehicle are now stationed at the power station with the addition of three fire engines that can also serve as a reserve in the event of inspection or breakdown of the current fire engines. Cooling

Introduction of large-capacity fuel tank for diesel-powered fire pumps Completed

In case of emergency, diesel-powered fire pumps are also deployed to inject water into the reactors and spent fuel storage pools. For further improvement of reliability, the capacity of fuel storage tank is increased to last for more than a week (200 hours) (from approx. 500 liters to 15,000 liters). Cooling

Deployment of heavy machinery to remove debris Completed

Scene of training to remove debris

Emergency Safety Measures

(completed in April 2011)

- ○ Even if all power sources are lost, power sources can be ensured and cooling water can be injected.
- ○ Nuclear fuels are continuously cooled by injecting water, and nuclear disasters like the accident happened at Fukushima Daiichi Nuclear Power Station can be prevented.

Inspection of equipment and facilities to cope with emergency Completed

Important equipment and facilities for safety and equipment and materials to be needed at the time of emergency have been tested and inspected.

Confirmation of procedures to cope with emergency Completed

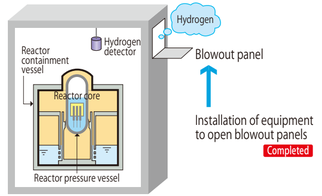
Work procedures have been confirmed, including the procedures newly added to cope with emergency.

Scene of training to cope with emergency

Implementation of training to cope with emergency Completed (partially in progress)

Training to make use of power supply vehicles stationed and training by using operation training simulators have been implemented.

Installation of equipment to release hydrogen from reactor building Partially completed



Reinforcement of anti-disaster facilities, equipment, materials and others Partially completed

Necessary facilities, equipment, materials and others to cope with emergency are reinforced such as construction of a building for emergency measures and introduction of additional radiation monitoring vehicles.

- The building for emergency response is constructed (seismic isolation structure, independent power source, decontamination facility, etc.).
- Warehouse dedicated to anti-disaster equipment and materials is constructed. Completed
- Radiation monitoring equipment is reinforced (the number of radiation monitoring vehicles is increased from one to three). Completed
- Additional personal dosimeters to measure radiation are introduced, and equipment and materials including clothing for lessening the impact of radiation are secured. Completed
- Major access road on the premises are reinforced not to sink the ground level. Completed
- Crane trucks for restoration work are regularly stationed. Completed
- A building which subcontractors gather for emergency is constructed.

Radiation monitoring vehicles

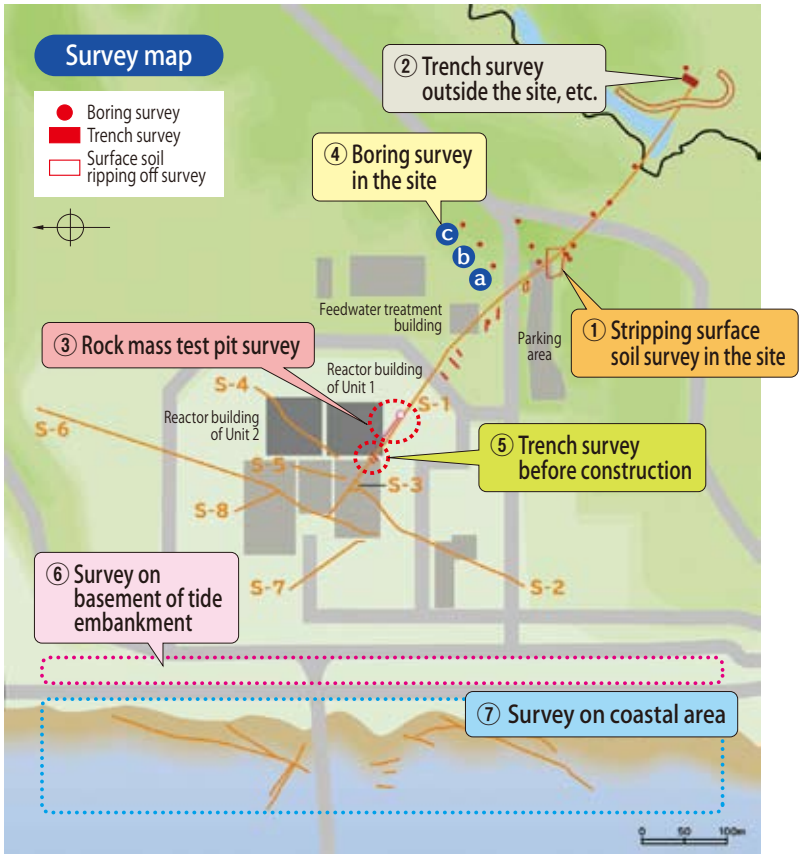
1. For Further Improvement of Safety of Shika Nuclear Power Station

Outline of additional survey results (reported on June 6, 2013) of seams*1 in Shika Nuclear Power Station site

Framework of conclusion

- The seam S-1 does not pose a problem in terms of activity and is not an active fault that should be taken into consideration in design for earthquake resistance. From survey results 1, 2 and 3
- The seams in the site do not pose a problem in terms of activity and are judged not to be an active fault that should be taken into consideration in design for earthquake resistance. From survey results 4
- Differences in level on the surface of rock mass in the seam S-1, which were found by a survey on trench*2 conducted before construction, are believed to be produced by erosion. From survey results 2 and 5

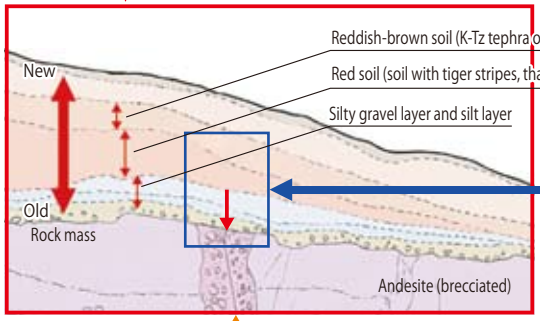
*1 A seam means a thin layer of soft materials such as clay found in breaches of rock mass.
*2 Survey to check geological conditions by directly digging trenches on the ground



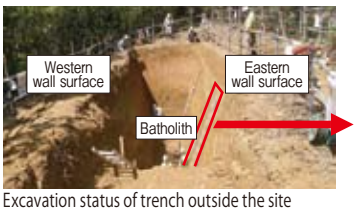
[Survey results 1] Activity of seam S-1 Survey map ① ②

① Stripping surface soil survey in the site

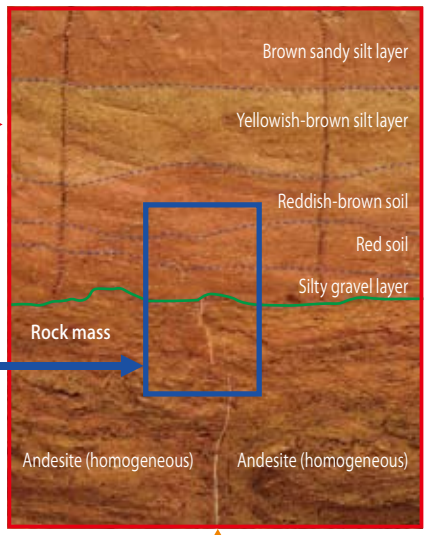
Status of stripping surface soil in the site



② Trench survey outside the site



Excavation status of trench outside the site



As a result of surface soil ripping off survey in the site and trench survey outside the site, since no displacement or deformation is recognized on the surface of rock mass that covers the seam S-1 and on the deposit on the high terrace surface I*3, there has been no activity at least in the past 120,000 to 130,000 years*4.

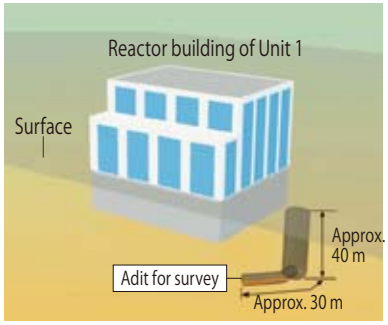
*3 The high terrace surface I is distributed in the altitude of some 40 m and the constituting terrace deposits are thought to be produced about 200,000 years ago.
*4 Standard to determine the activity of faults

(Note) A black vertical line of the photo above shows a trace of sampling for analysis.

[Survey results 2] Property of seam S-1 Survey map ③

In a rock mass test pit, as andesite gravels are distributed in a manner that they split up the seam S-1, it is unlikely that seam S-1 has moved in a way to rupture andesite gravels.

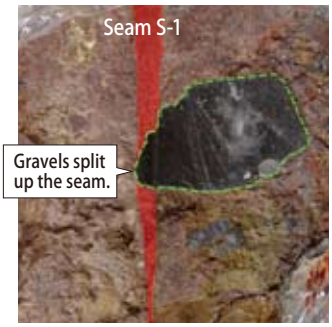
Image diagram of rock mass test pit



Panoramic photo of adit

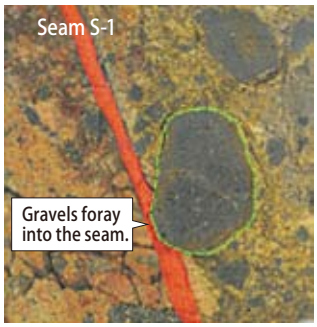
Seam S-1 Seam S-1′ *5

Observation photo of seam and its surrounding gravel



(Place at 21 m in adit)

0 5cm



(Place at 17 m in adit)

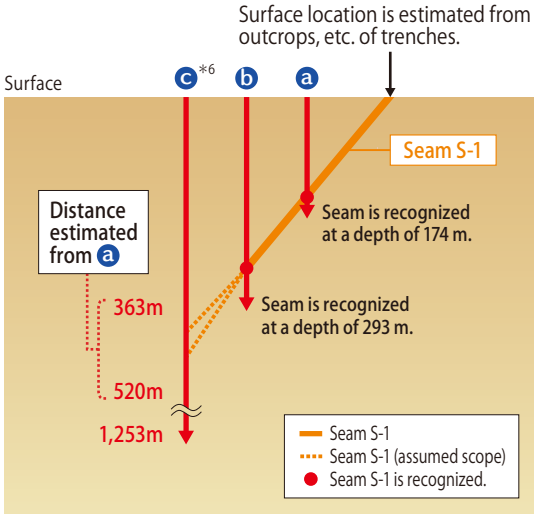
0 5cm

*5 The seam S-1′ is thought to be a branch of the seam S-1, based on a horizontal boring survey and observation on adit.

[Survey results 3] Continuity of seam S-1

Survey map ④

As a result of boring survey, the seam S-1 does not continue toward a deep direction.



*6 c is a survey (deep boring survey) carried out under a guideline which was revised in September 2006.

[Survey results 4] Property of seams in coastal area

Survey map ⑦

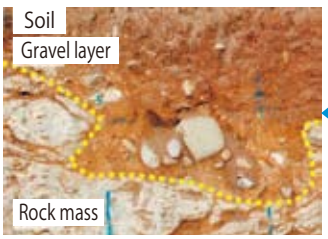
- The seams in coastal area and the site have common features in terms of their strikes, property and mineral compositions.
- As the seams in coastal area are intermittently distributed in solid rocks, their activities do not become an issue.

[Survey results 5] Examination related to preexisting survey

Survey map ⑤ ⑥ ⑦

Topographical shapes (bumpy shapes of the rock mass surfaces and sloped sediments above them) were sketched at the time of a trench survey conducted before construction and the similar shapes were frequently observed in coastal areas that are heavily affected by erosion and in the basement of tide embankment that is not accompanied by the seam.

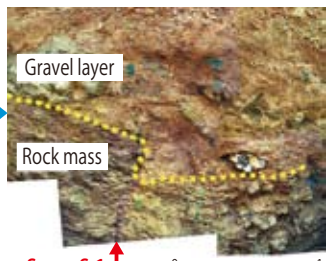
Example of basement of tide embankment
Location without seam



0 1m

Very similar

Example of trench survey conducted before construction
Location with seam



0 1m

1. For Further Improvement of Safety of Shika Nuclear Power Station

Approach that is fundamental to safer and stabler operation of Shika Nuclear Power Station

- More than 700 sessions of training were conducted at Shika Nuclear Power Station after the Great East Japan Earthquake to improve response capabilities to large-scale earthquakes and tsunamis, and the effectiveness of measures for reinforcement of safety has been enhanced.
- We will continuously conduct trainings to always aim for improving safety, and at the same time, we will carefully and thoroughly inform people in the local communities about the safety of Shika Nuclear Power Station.

Implementation of nuclear emergency response training

On March 12, 2013, emergency response training was conducted at Shika Nuclear Power Station.

The training conducted on this day, assuming that an earthquake occurred in Shika-machi and all AC power sources were lost by losing external power sources and shutting down emergency diesel generators.

A total of 77 power station workers and supporting company workers who took part in the training confirmed the effectiveness of measures for reinforcement of safety which have been promoted since the accident of Fukushima Daiichi Nuclear Power Station by conducting power supply training with large-capacity power supply vehicles, emergency water intake training from Otsubogawa Dam, etc.

Power supply training with large-capacity power supply vehicle

Water delivery training using fire engine

Creation of Nuclear Safety Reliability Conference

We have formed the "Nuclear Safety Reliability Conference," an organization designed to gather multilateral opinions and comments from outside knowledgeable persons on the overall measures related primarily to the operation and management of Shika Nuclear Power Station.

At its fourth meeting held in May 2013, we gave an explanation on progress of our measures for reinforcement of safety against tsunami and others at Shika Nuclear Power Station and status of our implementation related to additional survey on seams in the site, etc.

We are planning to hold such meetings regularly to hear the views and opinions.

4th meeting of Nuclear Safety Reliability Conference

Measures to boost understanding on the safety of Shika Nuclear Power Station

We have worked on company-wide efforts to take every opportunity to carefully and thoroughly inform, in an easy-to-understand manner, people in the local communities about the safety of Shika Nuclear Power Station, in order to gain their understanding and provide sense of relief.

FY2012 results

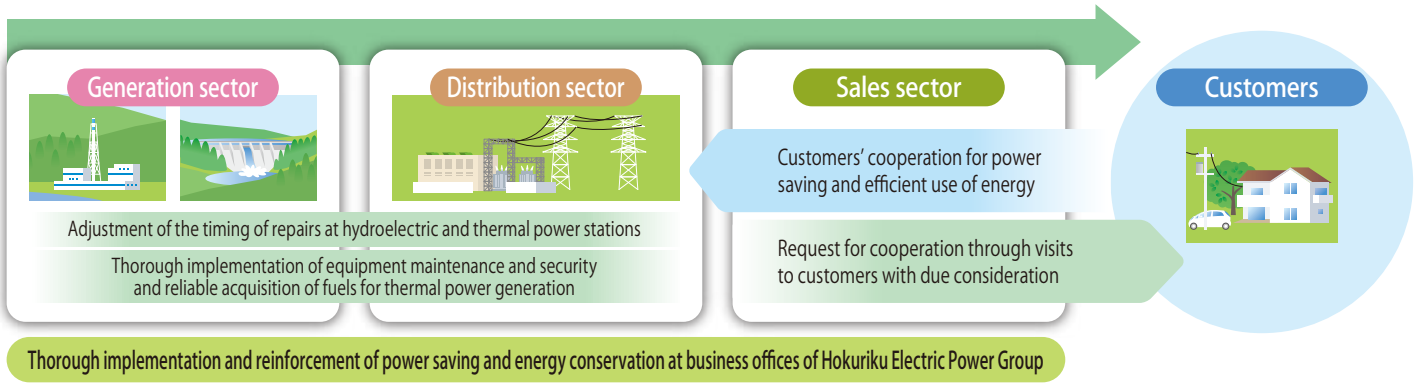
- ○ Visits for dialogue to …
  Local governments, economic organizations, large customers, etc.
  [Implementation status]
  32,114 visits for dialogue
- ○ Plant tour to Shika Nuclear Power Station …
  Tours organized for applications and various organizations
  [Implementation status] Held 435 times
- ○ Briefing sessions to local governments, economic organizations, female groups, etc.
  [Implementation status] Held 449 times

Scene of site visit

2. To Ensure Stable Supply of Electricity

Major initiatives to ensure stable demand and supply of electricity

- As shutdown of Shika Nuclear Power Station has continued, we implemented various measures to ensure electricity supply, including rescheduling repairs of hydroelectric and thermal power stations, in addition to cooperation by the customers for saving electricity and energy, which have resulted in realization of stable electricity supply.
- We will continue to make a concerted effort to realize stable supply of electricity.



Rescheduling of periodic inspection at thermal power stations

While a tight supply-demand situation continues, we are striving to ensure supply capability by rescheduling periodic inspections and repairs of hydroelectric and thermal power stations.

In spring 2012, at our thermal power stations, by fully utilizing the "application for change of timing of utility's periodic inspection on boiler turbine," which was stipulated by the Electricity Business Act, we conducted periodic inspection and facility inspection on up to four boilers, not in winter or summer season when demand becomes higher (two or so boilers ordinary undergo periodic inspections in the same period).

Power station	Unit name	Output	FY2011	FY2012			
			Winter	Spring	Summer	Autumn	Winter
Toyama Shinko Thermal	Unit 1	0.5 million kW	○→	●			
Fukui Thermal	Mikuni Unit 1	0.25 million kW		●←	○		
Tsuruga Thermal	Unit 2	0.7 million kW	○→	●			
Nanao Ohta Thermal	Unit 2	0.7 million kW		○	→	→	→ ● (March and beyond)
Nanao Ohta Thermal	Unit 1	0.5 million kW		Inspection on boiler facilities			

○: Initially scheduled inspection time ●: Rescheduled inspection time

Approach to stable electricity supply in the future

■ Introduction of LNG fired power generation

Hokuriku Electric Power Company will replace the coal-fired Unit 1 of Toyama Shinko Thermal Power Station and introduce its first combined-cycle power generation* that uses liquefied natural gas (LNG) as the fuel that can significantly reduce CO_2 emissions.

* It is a power generation facility combining a gas turbine and a steam turbine with higher heat efficiency than that of the conventional steam turbine power generation, which will result in more effective use of energy.

Output	Scheduled start of operation	CO_2 emissions reductions
424,700 kW	FY2018	Approx. 1 million t-CO_2 per year

Image diagram of LNG fired Unit 1 of Toyama Shinko Thermal Power Station

Development schedule

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Overall time schedule	Start of environmental impact assessment			Start of preparatory work	Start of construction	Decommissioning of coal-fired unit 1		Start of operation
Environmental impact assessment	Scoping Document		Survey, forecast and evaluation of the environmental impacts					
		Draft Environmental Impact Statement		Environmental Impact Statement				
Preparatory work								
Construction work								

3. For Creation of Environmentally-friendly Society

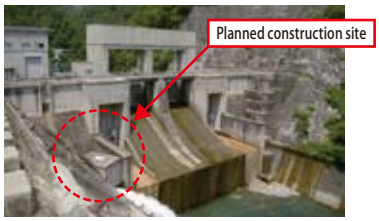
■ We will steadily facilitate the introduction of renewable energy to supply high-quality, eco-friendly electricity into the future.

Hydroelectric power generation

We will work to expand annual power generating capacity by approx. 80 GWh (in comparison with FY2007) by FY2020, which includes the development of Katakai Betsumata Power Station (Uozu-shi, Toyama), utilization of river maintenance discharge* and increase in output by repairing and modifying existing equipment.

* River maintenance discharge: Water discharged from dams for the purpose of maintaining river environment

Katakai Betsumata Power Station (image diagram)



Planned construction site for Kitamata Dam Power Station

Hydroelectric power station under development

Name of power station	Output	Electricity generated	Scheduled start of operation	CO_2 emissions reductions*
Kitamata Dam	130 kW	Approx. 0.9 million kWh per year	FY2014	Approx. 400 t-CO_2 per year
Katakai Betsumata	4,400 kW	Approx. 17.4 million kWh per year	FY2016	Approx. 8,200 t-CO_2 per year

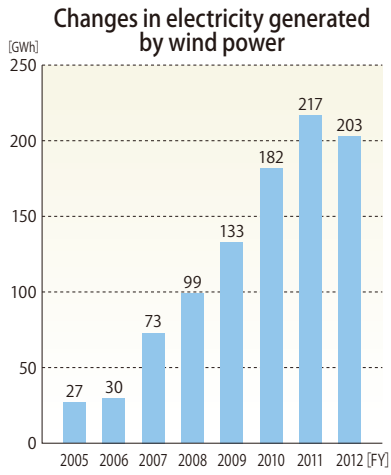
* Calculated using CO_2 emissions intensity of our company in FY2012 after adjustments (similarly calculated for wind power and solar power generation mentioned below)

Wind power generation

The Nihonkai Power Generating of Hokuriku Electric Power Group will proceed with a construction project of new wind power station at Technoport Fukui (Fukui coastal industrial zone).

The said company started environmental impact assessment, etc. in April 2013.

Fukura Wind Park of the Nihonkai Power Generating
Operation of phase 1 (four units) started in October 2009.
Operation of phase 2 (five units) started in January 2011.



Wind power station under development

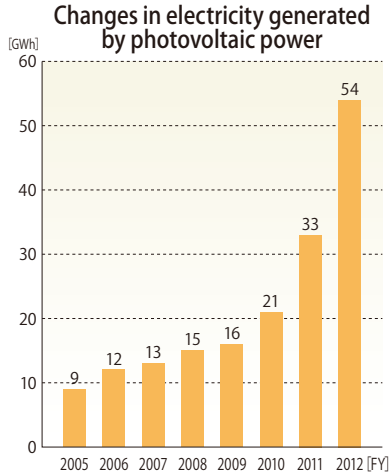
Name of power station	Output	Electricity generated	Scheduled start of operation	CO_2 emissions reductions
Mikuni Wind Power	8,000-9,600 kW*	Approx. 16-19 million kWh per year	FY2016	Approx. 7,500-8,900 t-CO_2 per year

* Four units of 2,000 kW-class wind turbines are assumed.

Photovoltaic power generation

"Mega-solar power station construction project," which was announced in March 2009 as a leading solar power project in Hokuriku region, has completed with Suzu Photovoltaic Power Station coming into operation. From now on, we are committed to stable operation of the following four power stations.

Mikuni Photovoltaic Power Station



Mega-solar power station under commercial operation

Name of power station	Output	Electricity generated	Start of operation	CO_2 emissions reductions
Shika Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Mar. 2011	Approx. 1,900 t-CO_2 per year in total
Toyama Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Apr. 2011	
Mikuni Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Sep. 2012	
Suzu Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Oct. 2012	

4. Challenge to Further Efficiency

■ **With establishing "2012 Emergency Management Task Force"** with appointing President as a leader in August 2012, we have implemented drastic streamlining measures with crossing the boundaries between organizations, divisions or groups and **achieved cost reduction totaling 18 billion yen from such efforts in FY2012**.

■ In FY2013, based on the result of study by "2012 Emergency Management Task Force," with placing highest priority on safety, we continue efforts to curb material procurement, fuel, personnel and other costs to **achieve a goal of cost reduction totaling some 23 billion yen that is higher than that of FY2012**.

Measures for improving managerial efficiency

●Amount of improving managerial efficiency (target) in FY2013

	Amount	Main content
Efforts to cut costs by Emergency Management Task Force, etc.	7 billion yen	● Cost reduction to procure materials with greater adoption of competitive bids ● Increase in utilization of low ash content, low cost coals (from Indonesia, Russia, etc.) ● Reduction of overtime work by streamlining operations ● Reduction of miscellaneous costs by clearly prioritize measures and actions to be taken
Streamlining processes and contents of periodic inspections at thermal power stations	8 billion yen	● Reduction of fuel and repair costs by improving processes and contents of periodic inspections at thermal power stations
Efforts toward realization of efficient supply-demand control through utilization of Japan Electric Power Exchange, etc.	8 billion yen	● Control of reliance on oil-fired thermal power generation through utilization of Japan Electric Power Exchange, etc.
Total	23 billion yen	

●Reference: Amount of improving managerial efficiency in FY2012

Efforts to cut costs by Emergency Management Task Force, etc.	5.5 billion yen	● Reduction of personnel costs including bonuses, etc. and control of miscellaneous costs through further review
Streamlining processes and contents of periodic inspections at thermal power stations	8 billion yen	● Review of timing of periodic inspection at coal-fired thermal power stations ● Reduction of work period through implementation of 24-hour inspection
Utilization of Japan Electric Power Exchange, etc.	4.5 billion yen	● Sale of electricity to Japan Electric Power Exchange, etc. with maximizing utilization of excessive supply capability, etc.
Total	18 billion yen	

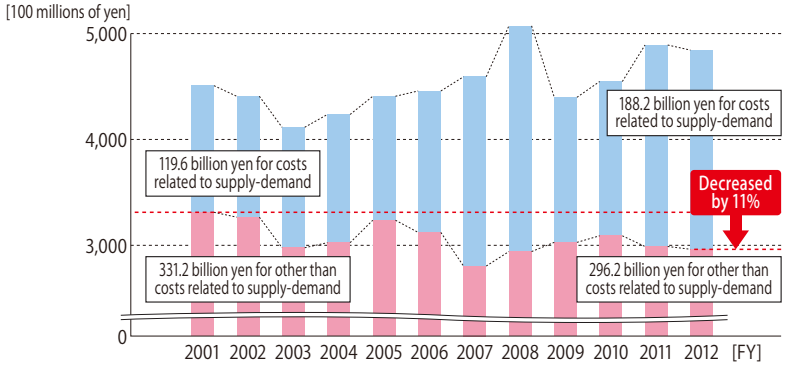
Measures for improving managerial efficiency in the past

Hokuriku Electric Power Company has continuously taken measures for improving managerial efficiency.

■ V Plan 21 Achievement Project (From FY2001 to FY2005)	Response to expanded scope of liberalization in electricity industry and increased cost of depreciation following the operation start of Unit 2 of Shika Nuclear Power Station
■ 2008 Emergency Management Task Force (FY2008)	Response to harsh managerial environment due to dramatic increase in fossil fuel prices and other factors
■ Revenue and Expenditure Improvement Working Group (FY2009)	Response to deteriorating financial position caused by a drop in electric power demand following economic downturn precipitated by the Lehman Shock and other factors

〈Changes in ordinary expenses〉

While the costs related to supply-demand (fuel cost, purchase cost of electricity from other utilities, etc.) depend highly on fossil fuel prices or operational status of nuclear power stations, ordinary expenses excluding the costs related to supply-demand decreased by 11% from FY2001, thanks to efforts to streamline management and operations.



Summary of business performance in FY2012 (from April 1, 2012 to March 31, 2013)

Japan's economy in FY2012 was initially making a recovery at a moderate pace, partly buoyed by demands related to reconstruction from the earthquake, which was then followed by successive weakening after poor export performance against the background of credit crisis in Europe, ending subsidies to eco-cars, etc.

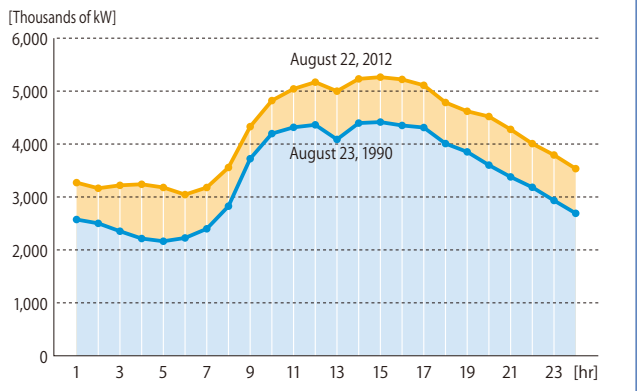
Since the beginning of 2013, however, the sign of bottoming out has been seen, as exports come out of a slump due to cheaper yen caused by high expectations for further monetary relaxation and other reasons. Economic conditions in the Hokuriku region followed a similar pattern.

In such economic situation, our electricity sales in the commercial and industrial sectors during the year stayed at the almost same level as in the previous year's level caused by effects of energy saving activities, despite the increased demand for cooling and heating because of heat wave and severe winter. Our electricity sales for the year in the industrial and other sectors were below the previous year's level due to stagnant electricity demand of large-scale consumers including machinery industry. Consequently, our electricity sales decreased by 2.8% from the previous year's level to 28.075 billion kWh (inclusive of 18.187 billion kWh for specified-scale demand).

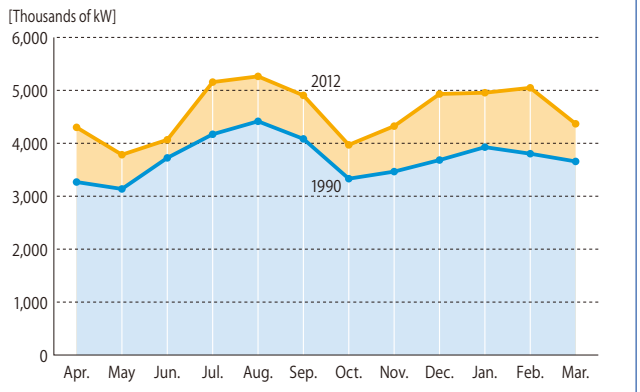
We faced difficulties regarding supply capability for not being able to operate Units 1 and 2 of Shika Nuclear Power Station since the previous fiscal year, in addition to the fact that the flow rate (at 93.3%) was lower than that in an average year.

We were able to maintain stable supply of electricity, thanks to the cooperation of our customers to save power during summer and winter seasons and by implementing various measures on supply side including the adjustment of the timing of repairs of our hydroelectric and thermal power stations.

Difference between day and night in system peak load



Seasonal differences in system peak load



Consolidated Balance Sheets

As of March 31, 2013, "total assets" increased ¥10.0 billion, or 0.7 percent, from the previous fiscal year-end to ¥1,395.9 billion. This was mainly due to an increase of cash and deposits because of the proceeds from long-term loans payable.

"Total liabilities" increased ¥18.5 billion, or 1.8 percent, from the previous fiscal year-end to ¥1,064.9 billion. This was mainly due to an increase of interest-bearing liabilities.

"Net assets" decreased ¥8.4 billion, or 2.5 percent, from the previous fiscal year-end to ¥331.0 billion. This was mainly due to a payment for dividends.

Consolidated Statements of Operations

In the fiscal year ended March 31, 2013, "operating revenue" decreased ¥2.6 billion, or 0.5 percent, year on year to ¥492.4 billion. This was mainly due to a decrease of the volume of electricity sales in the electricity power business.

"Operating expenses" decreased ¥2.7 billion, or 0.6 percent, year on year to ¥480.7 billion. This is mainly due to the effort to improve cost efficiency led by the "2012 Emergency Management Task Force" to deal with the tough business environment in the electricity business.

As a result, "operating income" increased ¥0 billion, or 0.8 percent, year on year to ¥11.7 billion.

"Other expenses" decreased ¥0.5 billion, or 5.5 percent, year on year to ¥10.0 billion. This was mainly due to a decrease of interest expense. Consequently, "ordinary income" increased ¥0.6 billion, or 65.2 percent, year on year to ¥1.7 billion.

For the fiscal year, the Company recorded "income taxes" of ¥2.3 billion. As a result, "net income" for totaled ¥0 billion, a turnaround from "net loss" of ¥5.2 billion in the previous year. "Net income per share" stood at ¥0.47.

Consolidated Statements of Cash Flow

The balance of cash and cash equivalents as of March 31, 2013 increased ¥23.5 billion, or 25.4 percent, from the previous fiscal year to ¥116.3 billion.

Net cash provided by "operating activities" increased ¥18.4 billion, or 27.1 percent, from the previous year to ¥86.5 billion, mainly due to a decrease of the payment of income taxes.

Net cash used in "investing activities" increased ¥2.9 billion, or 4.9 percent, year on year to ¥61.7 billion, mainly due to an increase of purchase of property, plant and equipment.

Net cash used in "financing activities" was ¥1.1 billion, a turnaround from net cash provided by financing activities of ¥9.5 billion in the previous fiscal year. This was mainly due to a decrease of proceeds from long-term loan payable.

Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY AND CONSOLIDATED SUBSIDIARIES
As of March 31, 2013 and 2012

Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 5)
ASSETS	2013	2012	2013
Noncurrent assets	¥1,183,664	¥1,196,262	$12,593,514
Property plant and equipment for (Note 6)	894,722	915,570	9,519,331
Hydroelectric power production facilities	113,884	116,524	1,211,662
Thermal power production facilities	111,482	115,504	1,186,109
Nuclear power production facilities	216,671	226,464	2,305,265
Transmission facilities	172,571	176,528	1,836,061
Transformation facilities	89,325	89,686	950,376
Distribution facilities	151,783	152,520	1,614,889
General facilities	31,307	31,968	333,095
Other	7,695	6,374	81,872
Other noncurrent assets (Note 6)	29,075	29,491	309,341
Construction in progress	34,774	31,129	369,976
Construction and retirement in progress	34,774	31,129	369,976
Nuclear fuel	96,994	95,161	1,031,966
Loaded nuclear fuel	26,219	26,219	278,960
Nuclear fuel in processing	70,775	68,942	753,006
Investments and other assets	128,098	124,908	1,362,897
Long-term investments	61,620	55,828	655,606
Fund for reprocessing of irradiated nuclear fuel	17,231	21,036	183,328
Deferred tax assets	37,221	36,112	396,010
Other (Note 6)	12,087	12,003	128,609
Allowance for doubtful accounts	(61)	(72)	(657)
Current assets	212,311	189,659	2,258,877
Cash and deposits	116,340	92,749	1,237,791
Notes and accounts receivable-trade	37,974	36,521	404,030
Inventories (Note 6)	28,636	27,228	304,670
Deferred tax assets	8,574	10,461	91,226
Other	20,950	22,888	222,897
Allowance for doubtful accounts	(163)	(190)	(1,740)
Total	¥1,395,976	¥1,385,922	$14,852,391

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 5)
LIABILITIES AND NET ASSETS	2013	2012	2013
Noncurrent liabilities	¥863,234	¥836,126	$9,184,326
Bonds payable (Note 6)	438,627	428,612	4,666,741
Long-term loans payable (Note 6)	288,856	271,990	3,073,269
Provision for retirement benefits	27,816	31,546	295,951
Provision for reprocessing of irradiated nuclear fuel	17,989	21,734	191,400
Provision for reprocessing of irradiated nuclear fuel without specific plans	5,429	5,220	57,767
Asset retirement obligations	67,654	65,423	719,804
Other	16,861	11,597	179,391
Current liabilities	191,795	199,664	2,040,598
Current portion of long-term debt (Note 6)	87,423	89,567	930,135
Short-term loans payable	15,821	15,419	168,331
Notes and accounts payable-trade	24,908	20,263	265,014
Accrued income taxes and other	8,183	8,110	87,066
Other	55,458	66,303	590,049
Reserves under the special laws	9,896	10,627	105,293
Reserve for fluctuation in water levels	9,896	10,627	105,293
Total liabilities	1,064,927	1,046,418	11,330,218
Shareholders' equity	325,031	335,382	3,458,153
Common stock	117,641	117,641	1,251,638
Capital surplus	33,993	33,993	361,669
Retained earnings	176,681	187,026	1,879,786
Treasury stock, at cost	(3,284)	(3,279)	(34,941)
Accumulated other comprehensive income	6,017	4,121	64,019
Net unrealized gain on securities	6,017	4,121	64,019
Total net assets	331,049	339,503	3,522,172
Total	¥1,395,976	¥1,385,922	$14,852,391

Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 5)
	2013	2012	2013
Operating revenue	¥492,487	¥495,118	$5,239,783
Electricity:	477,115	481,009	5,076,241
Other :	15,371	14,109	163,541
Operating expenses (Note 7)	480,729	483,457	5,114,683
Electricity: (Note 7)	468,225	472,027	4,981,653
Other :	12,503	11,429	133,029
Operating income	11,758	11,661	125,100
Other income	3,130	3,511	33,310
Dividends income	710	682	7,555
Interest income	516	467	5,495
Equity in earnings of affiliates	520	193	5,540
Other	1,383	2,168	14,718
Other expenses	13,175	14,136	140,184
Interest expenses	12,268	12,704	130,528
Other	907	1,432	9,655
Total ordinary revenue	495,618	498,630	5,273,094
Total ordinary expenses	493,904	497,593	5,254,867
Ordinary income	1,713	1,036	18,226
Provision or reversal of reserve for fluctuation in water levels	(731)	3,650	(7,779)
Provision of reserve for fluctuation in water levels	—	3,650	—
Reversal of reserve for fluctuation in water levels	(731)	—	(7,779)
Special gain	—	6,000	—
Settlement proceeds (Note 7)	—	6,000	—
Income before income taxes and minority interests	2,444	3,385	26,006
Income taxes-current	2,412	5,604	25,662
Income taxes-deferred	(65)	3,069	(701)
Total income taxes	2,346	8,674	24,961
Income (loss) before minority interests	98	(5,288)	1,044
Net income (loss)	¥98	¥(5,288)	$1,044

Consolidated Statements of Comprehensive Income

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 5)
	2013	2012	2013
Income (loss) before minority interests	¥98	¥(5,288)	$1,044
Other comprehensive income			
Net unrealized gain on securities	1,881	603	20,016
Share of other comprehensive income of affilliates accounted for under the equity method	14	2	153
Total other comprehensive income	1,895	606	20,170
Comprehensive income	¥1,994	¥(4,681)	$21,215
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	1,994	(4,681)	21,215

BALANCE AS OF APRIL 1, 2011
Cash dividends paid
Net loss
Purchases of treasury stock
Disposal of treasury stock
Net changes of items other than shareholders' equity
Total changes of items during the year
BALANCE AS OF APRIL 1, 2012
Cash dividends paid
Net income
Purchases of treasury stock
Disposal of treasury stock
Net changes of items other than shareholders' equity
Total changes of items during the year
BALANCE AS OF MARCH 31, 2013

BALANCE AS OF APRIL 1, 2012
Cash dividends paid
Net income
Purchase of treasury stock
Disposal of treasury stock
Net changes of items other than shareholders' equity
Total changes of items during the period
BALANCE AS OF MARCH 31, 2013

of Changes in Net Assets

Millions of yen

Number of shares of common stock	Shareholders' equity					Accumulated other comprehensive income	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on securities	
210,333,694	¥117,641	¥33,993	¥202,760	¥(3,263)	¥351,131	¥3,514	¥354,646
—	—	—	(10,442)	—	(10,442)	—	(10,442)
—	—	—	(5,288)	—	(5,288)	—	(5,288)
—	—	—	—	(24)	(24)	—	(24)
—	—	—	(2)	8	6	—	6
—	—	—	—	—	—	606	606
—	—	—	(15,733)	(15)	(15,749)	606	(15,142)
210,333,694	117,641	33,993	187,026	(3,279)	335,382	4,121	339,503
—	—	—	(10,441)	—	(10,441)	—	(10,441)
—	—	—	98	—	98	—	98
—	—	—	—	(8)	(8)	—	(8)
—	—	—	(1)	3	1	—	1
—	—	—	—	—	—	1,895	1,895
—	—	—	(10,345)	(4)	(10,350)	1,895	(8,454)
210,333,694	¥117,641	¥33,993	¥176,681	¥(3,284)	¥325,031	¥6,017	¥331,049

Thousands of U.S. dollars (Note 3)

	Shareholders' equity					Accumulated other comprehensive income	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on securities	
	$1,251,638	$361,669	$1,989,859	$(34,893)	$3,568,274	$43,849	$3,612,123
	—	—	(111,096)	—	(111,096)	—	(111,096)
	—	—	1,044	—	1,044	—	1,044
	—	—	—	(87)	(87)	—	(87)
	—	—	(20)	38	17	—	17
	—	—	—	—	—	20,170	20,170
	—	—	(110,072)	(48)	(110,120)	20,170	(89,950)
	$1,251,638	$361,669	$1,879,786	$(34,941)	$3,458,153	$64,019	$3,522,172

Consolidated Statements of Cash Flows

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥2,444	¥3,385	$26,006
Depreciation and amortization	74,929	81,936	797,210
Impairment losses on noncurrent assets	131	3	1,403
Decommissioning costs of nuclear power units	309	29	3,295
Loss on disposal of property, plant and equipment	1,824	2,229	19,409
Amortization of nuclear fuel in processing	1,156	1,156	12,306
Decrease (increase) in fund for reprocessing of irradiated nuclear fuel	3,805	3,929	40,489
Increase (decrease) in provision for retirement benefits	(3,730)	(2,045)	(39,688)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(3,745)	(3,936)	(39,844)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel without specific plans	208	200	2,221
Increase (decrease) in reserve for fluctuation in water levels	(731)	3,650	(7,779)
Interest and dividends income	(1,226)	(1,150)	(13,051)
Interest expense	12,268	12,704	130,528
Settlement proceeds	—	(6,000)	—
Decrease (increase) in notes and accounts receivable-trade	(1,482)	1,730	(15,777)
Decrease (increase) in inventories	(1,407)	(6,144)	(14,972)
Increase (decrease) in notes and accounts payable-trade	4,652	(1,984)	49,496
Increase (decrease) in accrued enterprise taxes and accrued consumption taxes	(17)	(92)	(187)
Other, net	9,425	(1,125)	100,282
Subtotal	98,816	88,478	1,051,349
Interest and cash dividends received	1,287	1,194	13,697
Interest expenses paid	(12,382)	(12,746)	(131,738)
Settlement package received	—	6,000	—
Income taxes paid	(3,507)	(14,892)	(37,322)
Income taxes refund	2,291	14	24,384
Net cash provided by operating activities	86,505	68,048	920,370
Cash flows from investing activities			
Purchase of property, plant and equipment	(62,221)	(57,280)	(662,005)
Proceeds from contribution received for construction	378	736	4,031
Proceeds from sales of property, plant and equipment	28	121	301
Increase in long-term investments	(21,237)	(9,921)	(225,959)
Proceeds from long-term investments	21,308	7,502	226,712
Net cash used in investing activities	(61,743)	(58,841)	(656,919)
Cash flows from financing activities			
Proceeds from issuance of bonds	50,000	—	531,971
Redemption of bonds	(45,000)	(70,000)	(478,774)
Proceeds from long-term loans payable	60,000	112,000	638,365
Repayment of long-term loans payable	(41,223)	(37,448)	(438,592)
Net increase (decrease) in short-term loans payable	484	470	5,152
Net increase (decrease) in commercial papers	(15,000)	15,000	(159,591)
Proceeds from sales of treasury stock	1	6	17
Purchase of treasury stock	(8)	(24)	(87)
Cash dividends paid	(10,425)	(10,424)	(110,924)
Other, net	(12)	(9)	(127)
Net cash provided by (used in) financing activities	(1,183)	9,569	(12,590)
Effect of exchange rate changes on cash and cash equivalents	0	(0)	0
Net increase (decrease) in cash and cash equivalents	23,578	18,776	250,860
Cash and cash equivalents at beginning of the year	92,749	73,973	986,804
Increase due to merger with unconsolidated subsidiaries	11	—	126
Cash and cash equivalents at end of the year (Note 1)	¥116,340	¥92,749	$1,237,791

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of preparation

The accompanying consolidated financial statements of Hokuriku Electric Power Company (the "Company") and its consolidated subsidiaries (collectively, the "Group") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded off. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

(b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and any significant companies controlled directly or indirectly by the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

Investments in significant companies over which the Company exercises significant influence in terms of their operating and financial policies are stated at cost plus equity in their undistributed earnings; consolidated net income includes the Company's equity in the current net earnings of the affiliates, after the elimination of unrealized intercompany profit.

Investments in unconsolidated subsidiaries and other affiliates, not significant in amount, are stated at cost.

The closing date of the subsidiaries is same as that of the Company.

(c) Investment in securities

Marketable equity securities, excluding investments in affiliates accounted for by the equity method, included in long-term investments are classified as other securities and carried at fair value with unrealized gain and loss on the securities, net of the applicable taxes, included in net assets.

Non-marketable equity securities classified as other securities are carried at cost determined mainly by the moving average method or less impairment loss if the value of the investments has been significantly impaired. No debt securities were held on March 31, 2013.

(d) Derivatives

Derivative financial instruments are stated at fair value.

(e) Inventories

Fuel, biomass and supplies are stated principally at the lower of cost or net realizable value, cost being determined principally by the average method.

(f) Depreciation and amortization of significant long-term assets

Property, plant and equipment is principally stated at cost less contributions in aid of construction.

Depreciation of property, plant and equipment is computed principally by the declining-balance method over the estimated useful lives of the respective assets. In addition, refer to depreciation for assets corresponding to asset retirement obligation in specified nuclear power units.

Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income as incurred.

Amortization of intangible fixed assets is computed by the straight-line method over the estimated useful lives of the respective assets.

(g) Allowance for doubtful accounts

The Group provide the allowance for doubtful accounts based on the historical ratio of actual credit losses to the total receivables and the amount of uncollectible receivables estimated on an individual basis.

(h) Employees' retirement benefits

Accrued employees' retirement benefits is accounted for based on the projected retirement benefit obligation less the fair value of the plan assets of the Company and the consolidated subsidiaries at the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

The prior service cost is amortized by the straight-line method over a period of ten years.

Actuarial gain or loss is amortized mainly by the declining-balance method over a period of three years from the year subsequent to the year in which it was recognized.

(i) Provision for reprocessing of irradiated nuclear fuel

The provision is reserved for reprocessing costs of irradiated nuclear fuel resulting from operation of nuclear power production facilities. The provision is stated at present value of the amount that would be required to reprocess with specific plans the irradiated nuclear fuel incurred in proportion to combustion of nuclear fuel using 1.6% of discount rate.

Transition obligations of ¥12,653 million resulting from the change in the accounting standard to estimate the reprocessing cost of irradiated nuclear fuel applicable from April 1, 2005 had been recognized over 15 years as operating expense from the fiscal year ended March 31, 2006. Due to revision of the act related to reserve for reprocessing of irradiated fuel in 2008, the revised transition obligations of ¥9,752 million has been amortized over 12 years from April 1, 2008 by straight-line method. Outstanding transition obligation as of March 31, 2013 was ¥5,689 million ($60,527 thousand).

The variance incurred from the estimate and actual costs for reprocessing of irradiated fuel is recognized from the following period over the periods during which the spent fuels covered by specific reprocessing plans are produced. The unrecognized difference of the estimates on March 31, 2012 and 2013 were loss of ¥325 million and loss of ¥1,458 million ($15,513 thousand), respectively.

(j) Provision for reprocessing of irradiated nuclear fuel without specific plans

Provision for reprocessing of irradiated nuclear fuel without specific plans is recognized, multiplying the quantity of irradiated nuclear fuel incurred by the present value of reprocessing cost per unit of fuel (discount rate of 4.0%).

(k) Reserve for fluctuation in water levels

To offset fluctuations in income in connection with hydroelectric power generation caused by varying water levels, the Company and a consolidated subsidiaries are required to provide a reserve for fluctuation in water levels under the Electric Utility Industry Law.

(l) Important hedge accounting method

(1) Hedge accounting method

Forward foreign exchange contracts which meet certain criteria are accounted for by the allocation method which requires that recognized foreign currency payables be translated at corresponding contract rates.

(2) Hedging instruments and hedged items

Hedging instruments …… Forward foreign exchange contracts

Hedged items …… Part of payables denominated in foreign currency

(3) Hedge policy

For the purpose of avoiding the risk of fluctuations in foreign exchange rates and others or reducing fund raising costs, we make use of derivative transactions for those debts that are caused by our normal operations, in accordance with our internal rules on derivative transactions.

(4) Method of evaluating hedge effectiveness

As hedging is considered being highly effective, evaluation of its effectiveness is omitted.

(m) Goodwill

Amortization of goodwill is computed by the straight-line method over the estimated useful life. In case the amount is immaterial, goodwill is recognized in profit and loss immediately.

(n) Cash and Cash equivalents

All highly liquid investments with a maturity of three months or less, that are readily convertible to cash and present an insignificant risk of any changes in value, are considered cash equivalents in the consolidated statement of cash flows.

(o) Assets corresponding to asset retirement obligations in specified nuclear power units

Paragraph 8 of "Guidance on Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued on March 31, 2008) is applied to the assets included in property, plant and equipment corresponding to asset retirement obligations associated with decommissioning of specified nuclear power units, and the total estimate of decommission expenses of nuclear power units is recognized over the expected operating period of nuclear power units in proportion to the ratio of the electric power by nuclear power generation, based on the provisions of "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989).

(p) Accounting for the consumption tax

National and local consumption taxes are accounted for using the tax-excluded method.

2. Change in Accounting Policies which are Difficult to be distinguished from Changes in Accounting Estimates

Because of revision of the Corporation Tax Act of Japan, the Company and its domestic consolidated subsidiaries have changed their depreciation method from the current consolidated fiscal year based on the revised Corporation Tax Act of Japan as to the property, plant and equipment acquired on or after April 1, 2012.

As a result of this change, the operating income increased by ¥650 million ($6,922 thousand), and ordinary income, income before income taxes and minority interests increased by ¥651 million ($6,927 thousand) for the year ended March 31, 2013.

For reference, the effects on segment information are mentioned in "18. Segment Information."

3. Accounting Standards Issued but not yet Adopted

The "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, issued on May 17, 2012) and the "Guidance on Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, issued on May 17, 2012) were issued but not yet adopted as of March 31, 2013.

(1) Outline

Under the revised accounting standard, the unrecognized actuarial gain or loss and the unrecognized past service cost are recognized after adjustment of tax effect in "NET ASSETS" of the consolidated balance sheets, and the accumulated deficit or surplus are recognized as a liability or an asset.

As for the allocation method of estimated retirement benefits, new standard allows to apply a benefit formula in addition to straight-line attribution method. In addition, the calculation method of discount rates has also been revised.

(2) Application dare

The Group plan to apply these accounting standard and the guidance to their consolidated financial statements from the fiscal year ending March 31, 2014.

However, regarding the allocation method of estimated retirement benefits and the revision of calculation method of discount rates, the application is scheduled from the beginning of the fiscal year ending March 31, 2015.

(3) Impact of adoption of the accounting standard and related guidance

The impact of application of the accounting standard and related guidance for consolidated financial statements is currently under investigation.

4. Changes in Presentation

(Consolidated Statements of Cash Flows)

"Income tax refund," which was included in "Other, net" in "Cash flows from operating activities" in the previous fiscal year is presented individually from the current fiscal year because the amount has become significant.

In order to reflect this change in presentation, a decrease of ¥1,111 million of "Other, net" in "Cash flows from operating activities" in the previous fiscal year is restated as an increase of ¥14 million of "Income tax refund," and a decrease of ¥1,125 million of "Other, net".

5. U.S. Dollar Amounts

The accompanying consolidated financial statements are expressed in yen, and solely for the convenience of the reader, have been translated into U.S. dollars at the rate of ¥93.99 = U.S.$1, the approximate rate of exchange prevailing at March 31, 2013. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

6. Notes to Consolidated Balance Sheets

(a) Reduction entry of property, plant and equipment

Reduction entries of property, plant and equipment as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Contributions in aid of construction	¥65,935	¥65,430	$701,518

(b) Accumulated depreciation of property, plant and equipment

Accumulated depreciations of property, plant and equipment as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
	¥2,392,285	¥2,335,909	$25,452,549

(c) Investments in unconsolidated subsidiaries and affiliates included in "Other" of Investments and other assets

Investments of unconsolidated subsidiaries and affiliates included in "Other" of Investments and other assets as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
	¥10,220	¥9,741	$108,738

(d) Pledged assets and secured liabilities

All assets of the Company are subject to certain statutory preferential rights established to secure the following bonds and loans from the Development Bank of Japan Incorporated:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
Hokuriku Electric Power Company	2013	2012	2013
Bonds	¥478,675	¥473,675	$5,092,829
Loans from the Development Bank of Japan Incorporated	54,045	62,474	575,014
Recourse obligation under debt assumption agreements	72,170	72,170	767,847

Additionally, following property, plant and equipment of consolidated subsidiaries are pledged as collateral for the following loans:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
Consolidated subsidiaries	2013	2012	2013
Pledged assets			
Property, plant and equipment for electric utility	¥8,790	¥9,234	$93,521
Other noncurrent assets	6,805	7,007	72,404
Secured liabilities			
Long-term loans	4,102	4,705	43,644

(e) Inventories

Inventories as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Merchandise and finished goods	¥192	¥208	$2,048
Work in process	513	448	5,464
Raw materials and supplies	27,929	26,571	297,158
Total	¥28,636	¥27,228	$304,670

(f) Contingent liabilities

Contingent liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Guarantees of loans of following companies and other			
Japan Nuclear Fuel Ltd.	¥37,134	¥38,900	$395,085
The Japan Atomic Power Company	17,492	—	186,113
Power and IT Company	1,300	1,300	13,831
Guarantees of housing and welfare loans of the Companies' employees	15,124	15,867	160,913
Total	¥71,051	¥56,067	$755,943

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Guarantees of the corporate bonds of following company			
Japan Nuclear Fuel Ltd.	¥1,414	¥1,414	$15,044

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Guarantee commitment of loans of following company			
Nuclear Fuel Transport Company Ltd.	¥2	¥7	$31

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Recourse obligation under debt assumption agreement of following corporate bonds (*)			
The 245th domestic straight bonds of Hokuriku Electric Power Company	¥29,670	¥29,670	$315,671
The 248th domestic straight bonds of Hokuriku Electric Power Company	22,500	22,500	239,387
The 250th domestic straight bonds of Hokuriku Electric Power Company	20,000	20,000	212,788
Total	¥72,170	¥72,170	$767,847
(*) Recourse obligation by underwriter			
Mizuho Corporate Bank, Limited.	¥62,170	¥62,170	$661,453
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,000	10,000	106,394

7. Notes to Consolidated Statements of Operations

(a) Provision

Provision included in the consolidated statement of operations for the fiscal year March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Provision for retirement benefits	¥3,622	¥3,791	$38,536
Provision for reprocessing of irradiated nuclear fuel	1,203	1,217	12,803
Provision for preparation of the reprocessing of irradiated nuclear fuel without specific plans	208	200	2,221

(b) Operating Expenses

Details of operating expenses in the electric power business for the years ended March 31, 2013 and 2012 were as follows:

Millions of yen

	Operating expenses in the electric power business	
	2013	Selling, general and administrative expenses
Personnel	¥49,679	¥22,380
(Provision for retirement benefits)	3,085	3,085
Fuel	138,425	—
Maintenance	59,425	955
Depreciation	71,828	2,965
Purchased electric power	47,844	—
Other	104,619	23,012
Subtotal	471,822	49,312
Intercompany elimination	(3,597)	—
Total	¥468,225	¥—

Millions of yen

	Operating expenses in the electric power business	
	2012	Selling, general and administrative expenses
Personnel	¥52,241	¥23,800
(Provision for retirement benefits)	3,302	3,302
Fuel	142,376	—
Maintenance	62,086	859
Depreciation	78,942	2,530
Purchased electric power	46,002	—
Other	94,607	23,322
Subtotal	475,806	50,513
Intercompany elimination	(3,778)	—
Total	¥472,027	¥—

Thousands of U.S. dollars

	Operating expenses in the electric power business	
	2013	Selling, general and administrative expenses
Personnel	$528,557	$238,114
(Provision for retirement benefits)	32,831	32,831
Fuel	1,472,764	—
Maintenance	632,252	10,163
Depreciation	764,211	31,546
Purchased electric power	509,043	—
Other	1,113,095	244,836
Subtotal	5,019,924	524,660
Intercompany elimination	(38,270)	—
Total	$4,981,653	$—

(c) Reserch and Development Expenses

Total Reserch and Development Expenses included in the consolidated statements of operations for the fiscal years ended March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Research and Development Expenses	¥1,929	¥2,184	$20,527

(d) Settlement Proceeds

Concerning the lawsuit for damages against Hitachi, Ltd., caused by damaged moving vanes in the low-pressure turbine of Shika Nuclear Power Station Unit 2, the matter was settled and the company recognized "Settlement proceeds" of ¥6,000 million as "Extraordinary income" for the year ended March 31, 2012.

8. Other Comprehensive Income

The component of other comprehensive income for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Net unrealized gain on securities			
Amount arising during the year	¥2,685	¥29	$28,569
Reclassification adjustment	40	387	431
Before tax effect	2,725	416	29,000
Tax effect	(844)	187	(8,984)
Net unrealized gain on securities	1,881	603	20,016
Share of other comprehensive income of affilliates accounted for under the equity method:			
Amount arising during the year	¥5	¥(15)	$54
Reclassification adjustments	9	18	98
Share of other comprehensive income of affilliates accounted for under the equity method	14	2	153
Total of other comprehensive income	¥1,895	¥606	$20,170

9. Stock Issued and Treasury Stock

(1) Changes in number of stock issued and treasury stock

Changes in number of stock issued and treasury stock for the years ended March 31, 2013 and 2012 were as follows:

Thousands of shares

	2013	2012
Stock issued		
Beginning of the year	¥210,334	¥210,334
End of the year	210,334	210,334
Treasury stock		
Beginning of the year	1,493	1,481
Increase due to purchasing fractional shares	8	16
Decrease due to selling fractional shares	2	4
End of the year	1,499	1,493

(2) Dividends

(1) Dividends paid

For the year ended March 31, 2013

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Dividends per share (yen)	Dividends per share (U.S. dollars)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 27, 2012	Common stock	¥5,221	$55,548	¥25	$0.26	March 31, 2012	June 28, 2012
Meeting of the Board of Directors on October 30, 2012	Common stock	¥5,220	$55,547	¥25	$0.26	September 30, 2012	November 30, 2012

For the year ended March 31, 2012

Resolution	Type of shares	Total dividends (millions of yen)	Dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 28, 2011	Common stock	¥5,221	¥25	March 31, 2011	June 29, 2011
Meeting of the Board of Directors on October 27, 2011	Common stock	¥5,221	¥25	September 30, 2011	November 30, 2011

(2) Dividends with the cut-off date in the year ended March 31, 2013 and the effective date in the year ending March 31, 2014

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Source of dividends	Dividends per share (yen)	Dividends per share (U.S. dollars)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 26, 2013	Common stock	¥5,220	$55,547	Retained earnings	¥25	$0.26	March 31, 2013	June 27, 2013

Dividends with the cut-off date in the year ended March 31, 2012 and the effective date in the year ending March 31, 2013

Resolution	Type of shares	Total dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 27, 2012	Common stock	¥5,221	Retained earnings	¥25	March 31, 2012	June 28, 2012

10. Supplementary Cash Flow Information

A reconciliation between cash and cash equivalents in the consolidated statements of cash flows and corresponding balance sheet items as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Cash and deposits	¥116,340	¥92,749	$1,237,791
Cash and cash equivalents	¥116,340	¥92,749	$1,237,791

11. Leases

Finance leases other than those which are stipulated to transfer the ownership of the leased assets to the lessee, contracted before March 31, 2008 are accounted for in a method similar to that used for operating leases as before.

For those finance leases, pro forma information of the leased assets such as acquisition costs, accumulated depreciation and lease obligations on an "as if capitalized" basis for the years ended March 31, 2013 and 2012 are summarized as follows:

(a) Lessee

Millions of yen

	2013		
	Electric facilities	Other facilities	Total
Acquisition costs	¥—	¥—	¥—
Less: Accumulated depreciation	—	—	—
Net leased assets	¥—	¥—	¥—

Millions of yen

	2012		
	Electric facilities	Other facilities	Total
Acquisition costs	¥3	¥4	¥8
Less: Accumulated depreciation	2	3	6
Net leased assets	¥0	¥0	¥1

Thousands of U.S. dollars

	2013		
	Electric facilities	Other facilities	Total
Acquisition costs	$—	$—	$—
Less: Accumulated depreciation	—	—	—
Net leased assets	$—	$—	$—

Obligations under finance leases as of March 31, 2013 and 2012

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Due within one year	¥—	¥1	$—
Due after one year	—	—	—
Total	¥—	¥1	$—

The amounts of leased assets and obligations under finance leases include the amount equivalent to interest expense because that amount is not significant.

Lease payments under finance leases accounted for as operating leases in the accompanying consolidated financial statements totaled ¥1 million ($11 thousand) and ¥1 million, which were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms, for the years ended March 31, 2013 and 2012, respectively.

(b) Lessor

Total revenues under finance leases include the imputed interest revenues. Revenues under finance leases accounted for as operating leases in the accompanying consolidated financial statements for the years ended March 31, 2013 and 2012 totaled nil and ¥1 million.

12. Financial Instruments

Overview

(1) Policy for financial instruments

In consideration of plans for capital investment for the electricity business, the Group raise funds through corporate bonds and loans from bank. The Group manages temporary cash surpluses through short-term deposits.

The Group uses derivatives for the purpose of reducing foreign currency exchange risk and interest rate fluctuation risk, and does not enter into derivatives for speculative or trading purposes.

(2) Types of financial instruments, related risk and risk management for financial instruments

Long-term investments (other securities) are composed of mainly shares of common stock of other companies with which the Group has business relationships. Those securities are exposed to market risk. The Group periodically reviews the fair values of such financial instruments and the financial position of the issuers.

The fund for reprocessing of irradiated nuclear fuel is made in accordance with the "Spent Nuclear Fuel Reprocessing Fund Act"(Act No. 48 of 2005). The Group allocates the reserved amount as notified by the Minister of Economy, Trade and Industry, to the fund management corporation authorized in the act.

Trade notes and accounts receivable are composed of mainly electricity charges and power charges. Those receivables are exposed to credit risk in relation to customers. In accordance with the Rules for Supply of Electricity and other regulations for managing credit risk arising from receivables, each related division monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by individual customer.

Interest-bearing liabilities are exposed to interest rate fluctuation risk. However, those liabilities are composed of mainly bonds payable and long-term loans payable, of which the interest rates are fixed in the medium and long term.

Substantially all trade notes and accounts payable have payment due dates within one year. Although the Group is exposed to foreign currency exchange risk arising from those payables denominated in foreign currencies, forward foreign exchange contracts are arranged to reduce the risk.

The financial liabilities are exposed to liquidity risk. However, to reduce such risk, the Group sets the authorized limits of short-term corporate bonds,concludes the commitment-line contracts and keeps appropriate cash and cash deposits balances.

Derivatives are exposed to credit risk of counterparties. However, to reduce such risk, transactions involving derivatives are conducted in compliance with its internal policies. In addition, the counterparties to derivatives positions are limited to major financial institutions with high credit ratings.

(3) Supplementary explanations of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market prices, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair values.

Fair value of financial instruments

Carrying amount of financial instruments on the consolidated balance sheet and respective fair value as of March 31, 2013 and 2012 are shown in the following table. The following table does not include financial instruments whose fair values are not readily determinable (please refer to Note 2 below).

Millions of yen

As of March 31, 2013	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	¥14,884	¥14,884	¥—
② Fund for reprocessing of irradiated nuclear fuel	17,231	17,231	—
③ Cash and deposits	116,340	116,340	—
④ Notes and accounts receivable-trade	37,974	37,974	—
⑤ Bonds payable (*)	478,627	497,692	19,065
⑥ Long-term loans payable (*)	331,990	344,712	12,721
⑦ Short-term loans payable	15,821	15,821	—
⑧ Notes and accounts payable-trade	24,908	24,908	—

Millions of yen

As of March 31, 2012	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	¥12,198	¥12,198	¥—
② Fund for reprocessing of irradiated nuclear fuel	21,036	21,036	—
③ Cash and deposits	92,749	92,749	—
④ Notes and accounts receivable-trade	36,521	36,521	—
⑤ Bonds payable (*)	473,612	490,209	16,597
⑥ Long-term loans payable (*)	313,214	321,452	8,238
⑦ Short-term loans payable	15,419	15,419	—
⑧ Notes and accounts payable-trade	20,263	20,263	—

Thousands of U.S. dollars

As of March 31, 2013	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	$158,358	$158,358	¥—
② Fund for reprocessing of irradiated nuclear fuel	183,328	183,328	—
③ Cash and deposits	1,237,791	1,237,791	—
④ Notes and accounts receivable-trade	404,030	404,030	—
⑤ Bonds payable (*)	5,092,318	5,295,160	202,841
⑥ Long-term loans payable (*)	3,532,192	3,667,546	135,353
⑦ Short-term loans payable	168,331	168,331	—
⑧ Notes and accounts payable-trade	265,014	265,014	—

(*) Current portion of bonds payable and long-term loans payable is included in bonds payable and long-term loans payable.

(Note 1)

Methods for estimating fair value of financial instruments and other matters related to securities and derivative transactions.

① Long-term investments (other securities)

The fair value of stocks is based on quoted market prices. For information on securities classified by holding purpose, please refer to "13. Investment Securities."

② Fund for reprocessing of irradiated nuclear fuel

The fund is made in accordance with the "Spent Nuclear Fuel Reprocessing Fund Act" (Act No. 48 of 2005). For the redemption of the fund, it is necessary to comply with the redemption plan approved by the Minister of Economy, Trade and Industry. The carrying amount of the fund is based on the present value determined by redemption schedule of the plan.

③ Cash and deposits and ④ Notes and accounts receivable-trade

Since these items are settled in a short period of time, their carrying amount approximates fair value.

⑤ Bonds payable

The fair value of bonds is based on either the quoted market price when available or present value of the total of principal and interest discounted by an interest rate determined taking into account the remaining period of each bond and current credit risk.

⑥ Long-term loans payable

The fair value of long-term loans payable is based on the present value of the total of principal and interest discounted by the interest rate to be applied if similar new borrowings were entered into.

⑦ Short-term loans payable and ⑧ Notes and accounts payable-trade

Since these items are settled in a short period of time, their carrying amount approximates fair value.

(Note 2)

Financial instruments whose fair values are not readily determinable

	Millions of yen	Millions of yen	Thousands of U.S. dollars
Carrying amount	2013	2012	2013
Unlisted stocks	¥40,944	¥40,905	$435,631
Investment securities	637	637	6,785
Other	7	10	76
Total	¥41,589	¥41,554	$442,493

Because no quoted market price is available and their fair values are not readily determinable, the above financial instruments are not included in the preceding table.

(Note 3)

Redemption schedule for receivables

Millions of yen

As of March 31, 2013	Whithin one year	Due after one year
Fund for reprocessing of irradiated nuclear fuel (*)	¥4,989	¥—
Cash and deposits	116,340	—
Notes and accounts receivable-trade	37,974	—
Total	¥159,304	¥—

Millions of yen

As of March 31, 2012	Whithin one year	2014 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	¥4,953	¥—
Cash and deposits	92,749	—
Notes and accounts receivable-trade	36,521	—
Total	¥134,225	¥—

Thousands of U.S. dollars

As of March 31, 2013	Whithin one year	Due after one year
Fund for reprocessing of irradiated nuclear fuel (*)	$53,089	¥—
Cash and deposits	1,237,791	—
Notes and accounts receivable-trade	404,030	—
Total	$1,694,912	¥—

(*) Regarding fund for reprocessing of irradiated nuclear fuel, only the amount due in one year or less is disclosed.

(Note 4)

The aggregate annual maturities of bonds, long-term loeans, and other interest-bearing liabilities subsequent to March 31, 2013 and 2012 were summarized as follows:

Millions of yen

As of March 31, 2013	Bonds payable	Long-term loans payable	Short-term loans payable
2014	¥40,000	¥43,134	¥15,821
2015	70,000	26,791	—
2016	60,000	24,421	—
2017	50,475	37,516	—
2018	48,200	23,546	—
2019 and thereafter	210,000	176,581	—

Millions of yen

As of March 31, 2012	Bonds payable	Long-term loans payable	Short-term loans payable
2013	¥45,000	¥41,223	¥15,419
2014	40,000	43,134	—
2015	70,000	26,791	—
2016	60,000	23,421	—
2017	40,475	32,516	—
2018 and thereafter	218,200	146,128	—

Thousands of U.S. dollars

As of March 31, 2013	Bonds payable	Long-term loans payable	Short-term loans payable
2014	$425,577	$458,922	$168,331
2015	744,760	285,043	—
2016	638,365	259,826	—
2017	537,025	399,149	—
2018	512,820	250,524	—
2019 and thereafter	2,234,280	1,878,726	—

13. Investment Securities

(1) Information of other securities

Information on investment securities for which fair value is available as of March 31, 2013 and 2012 was as follows:

Millions of yen

As of March 31, 2013	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	¥6,241	¥14,874	¥8,633
Unrealizes loss			
Stock	9	9	(0)
Total	¥6,251	¥14,884	¥8,633

Millions of yen

As of March 31, 2012	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	¥5,708	¥11,694	¥5,985
Unrealizes loss			
Stock	582	504	(77)
Total	¥6,291	¥12,198	¥5,907

Thousands of U.S. dollars

As of March 31, 2013	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	$66,406	$158,261	$91,854
Unrealizes loss			
Stock	100	96	(3)
Total	$66,507	$158,358	$91,851

(Note)

Non-marketable securities (the amount of ¥41,589 million ($442,493 thousand) and ¥41,554 million in the consolidated balance sheets as of March 31, 2013 and 2012, respectively) are not included in the table above because their fair values are not readily determinable.

(2) Other securities sold during the year

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Sales proceeds	¥—	¥102	$—
Realized gains	—	12	—
Realized losses	¥—	¥—	$—

(3) Impairment loss on other securities

	Millions of yen	Millions of yen	Thousands of U.S. dollars
For the year ending March 31	2013	2012	2013
Stock	¥51	¥391	$550,403

14. Derivatives

Since derivative transactions were not signnificant, relating disclosure is omitted for the years ended March 31, 2013 and 2012.

15. Employees' Retirement Benefits

As of March 31, 2013, the Company and its consolidated subsidiaries have the defined benefit plans, including lump-sum retirement benefit plan, defined benefit corporate pension plan, welfare pension fund plan and company sponsored pension plan.

The Company also provides employees with the options of either the defined contribution pension plan or the prepayment plan, in addition to the lump-sum retirement benefit plan and the defined benefit corporate pension plan.

Most subsidiaries adopt a short-cut method in computing projected benefit obligation.

The funded status of retirement benefit obligations as of March 31, 2013 and 2012 are summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Projected benefit obligation	¥(87,021)	¥(85,500)	$(925,863)
Fair value of pension plan assets	68,346	56,148	727,163
	(18,675)	(29,352)	(198,699)
Unrecognized actuarial gain or loss	(6,520)	1,736	(69,372)
Unrecognized prior service cost	(2,620)	(3,930)	(27,879)
Net amount recognized	(27,816)	(31,546)	(295,951)
Accrued employees' retirement benefits	¥(27,816)	¥(31,546)	$(295,951)

The components of net pension and severance costs for the years ended March 31, 2013 and 2012 are summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Service cost (Note 2)	¥3,482	¥3,478	$37,050
Interest cost	1,660	1,610	17,668
Expected return on plan asset	(1,122)	(1,050)	(11,947)
Amortization of unrecognized actuarial gain or loss	912	1,063	9,704
Amortization of unrecognized prior service cost	(1,310)	(1,310)	(13,939)
Others (Note 3)	749	745	7,975
Pension and severance costs	¥4,371	¥4,537	$46,512

(Note 1) In addition to pension and severance costs above, additional retirement benefits included in operating expenses for the years ended March 31, 2013 and 2012 amounted to ¥1,787 million ($19,016 thousand) and ¥2,192 million, respectively.

(Note 2) Service cost includes pension costs under short-cut method and contribution to welfare pension fund.

(Note 3) Other include ¥693 million ($7,376 thousand) and ¥689 million as the installments of defined contribution pension plan, and ¥56 million ($599 thousand) and ¥56 million for the prepayment plan for the years ended March 31, 2013 and 2012 respectively.

The principal assumptions used for the years ended March 31, 2013 and 2012 are summarized as follows:

	2013	2012
Method of allocation of estimated retirement benefits	Equally over the period	Equally over the period
Discount rate	Mainly 2.0%	Mainly 2.0%
Expected rate of return on plan assets	2.0%	2.0%
Period for amortization of prior service cost (straight-line method)	10 years	10 years
Period for amortization of unrecognized actuarial diferrences (declining balance method)	3 years	3 years

16. Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Asset Retirement Obligations	¥13,801	¥13,201	$146,841
Depreciation	11,857	11,383	126,152
Provision for retirement benefits	8,957	10,310	95,303
Expenses of disposition of polychlorinated biphenyl wastes	3,371	2,855	35,874
Reserve for fluctuation in water levels	3,047	3,265	32,421
Deferred charges for tax purposes	2,884	2,728	30,687
Reserve for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel without specific plans	2,133	2,054	22,703
Elimination of unrealized intercompany profits	1,200	1,148	12,767
Accrued enterprise taxes	988	1,020	10,517
Other	18,121	17,281	192,807
Gross deferred tax assets	66,364	65,250	706,078
Less: Valuation allowance	(5,609)	(5,151)	(59,687)
Total deferred tax assets	60,754	60,098	646,391
Deferred tax liabilities:			
Assets corresponding to asset retirement obligations	¥(12,327)	¥(11,737)	$(131,156)
Net unrealized gain on securities	(2,627)	(1,783)	(27,956)
Other	(3)	(4)	(41)
Total deferred tax liabilities	(14,958)	(13,524)	(159,154)
Net deferred tax assets	¥45,795	¥46,573	$487,236

(Note)

The net deferred tax assets as of March 31, 2013 and 2012 are included in the following items of the consolidated balance sheets:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Noncurrent assets - deferred tax assets	¥37,221	¥36,112	$396,010
Current assets- deferred tax assets	8,574	10,461	91,226
Deferred tax liabilities:			
Noncurrent liabilities - Others	—	(0)	—
Current liabilities - Others	(0)	—	(5)

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2013 and 2012 were summarized as follows:

	2013	2012
Statutory tax rate	33.3%	36.1%
Increase (decrease) in taxes resulting from:		
Influence of tax rate's differences	37.3	—
Valuation allowance	18.7	20.8
Statutory tax rate differences between the Company and consolidated subsidiaries	13.1	10.3
Non-deductible expenses for the tax purposes	6.0	5.7
Equity in earnings of affiliates	(7.1)	(2.1)
Decrease of deferred tax assets by changing the effective statutory tax rate	—	186.1
Other	(5.3)	(0.7)
Effective tax rate	96.0%	256.2%

(Note)

"Equity in earnings of affiliates," which was included in "Other" in the previous fiscal year is disclosed individually from the current fiscal year because of its increased significance.

To reflect this change in presentation, the -2.8% of "Other" in the previous fiscal year is restated as -2.1% in the "Equity in earnings of affiliates" and -0.7% of "Other" respectively.

17. Asset Retirement Obligations

(1) Overview

Asset retirement obligations are recognized for decommissioning of specific nuclear power units prescribed by "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors."

Based on the "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989), the total estimate of decommission expenses is recognized over the expected operating period of nuclear power units in proportion to the ratio of the electric power by nuclear power generation.

(2) Accounting method of asset retirement obligations

The estimated remaining years are calculated by deducting the period after commencement of operation from the estimated operation period of power generation equipment which can be the basis of calculation of the estimated total amount of electricity to be generated by each unit of nuclear power generation equipment, 2.3% is utilized as discount rate.

(3) Changes in asset retirement obligations

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Balance at begining of the year	¥65,423	¥63,881	$696,070
Net changes during the year	2,230	1,542	23,734
Balance at end of the year	¥67,654	¥65,423	$719,804

18. Segment Information

(1) Overview of reportable segment

The Company's business segment consists of companies from which separated financial information can be obtained in order for the board of managing directors and the board of directors to decide the distribution of management resources and evaluate performance. Of these, the "Electricity" segment that accounts for the major portion of our whole business is defined as the reportable segment, and other businesses are classified as "Others."

In the "Electricity" segment, the Company supplies electricity to the three prefectures in the Hokuriku region [Toyama, Ishikawa and Fukui (partly excluded)] and part of Gifu Prefecture, and the Nihonkai Power Generating supplies electricity to the Company on a wholesale basis.

(2) Accounting policies of each reportable segment

The accounting policies of the segments are substantially the same as described in the Summary of Siginificant Accounting Policies. Segment performance is evaluated based on operating income or loss. Intersegment sales are arm's length transaction.

(Change in depreciation method)

As discussed in "Summary of Significant Accounting Policies (Note 1)," the Company and its domestic consolidated subsidiaries changed their depreciation method from the current consolidated fiscal year based on the revised Corporation Tax Act of Japan as to the property, plant and equipment acquired on and after April 1, 2012.

As compared with the conventional depreciation method, as a result, the "Segment income" of "Electricity" and "Others" increased by ¥625 million ($6,653 thousand) and ¥25 million ($269 thousand), respectively.

(3) Information about each reportable segment

Millions of yen

	2013				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	¥477,115	¥15,371	¥492,487	¥—	¥492,487
Inter-segment sales	615	33,433	34,049	(34,049)	—
Total operating revenue	477,731	48,805	526,536	(34,049)	492,487
Segment income	7,539	4,357	11,897	(139)	11,758
Segment assets	1,352,929	65,273	1,418,202	(22,226)	1,395,976
Depreciation and amortization	71,842	3,367	75,209	(279)	74,929
Capital expenditure	63,823	3,648	67,472	(411)	67,060

Millions of yen

	2012				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	¥481,009	¥14,109	¥495,118	¥—	¥495,118
Inter-segment sales	614	34,660	35,274	(35,274)	—
Total operating revenue	481,623	48,770	530,393	(35,274)	495,118
Segment income	7,501	4,203	11,705	(43)	11,661
Segment assets	1,345,250	65,506	1,410,756	(24,834)	1,385,922
Depreciation and amortization	78,499	3,720	82,219	(283)	81,936
Capital expenditure	55,013	3,095	58,108	(313)	57,795

Thousands of U.S. dollars

	2013				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	$5,076,241	$163,541	$5,239,783	$—	$5,239,783
Inter-segment sales	6,553	355,715	362,269	(362,269)	—
Total operating revenue	5,082,794	519,257	5,602,052	(362,269)	5,239,783
Segment income	80,219	46,362	126,581	(1,481)	125,100
Segment assets	14,394,396	694,469	15,088,865	(236,473)	14,852,391
Depreciation and amortization	764,358	35,822	800,181	(2,970)	797,210
Capital expenditure	679,050	38,815	717,866	(4,379)	713,487

(Note 1)

Other segment represents construction and maintenance of the electrical power facilities, information, telecommunications and other.

(Note 2)

Adjustment and eliminations of "Segment income," "Segment assets," "Depreciation and amortization," and "Capital expenditure" are intersegment transaction eliminations.

(Note 3)

Segment income is adjusted to reflect operating income in the consolidated statement of operations.

(Relevant information)

(1) Information by product or service

As revenue from single product exceed 90% of revenue in the consolidated statements of operations, relating disclosure is omitted.

(2) Information by respective areas

Because there are no sales to overseas customers and no tangible fixed assets located overseas, relating disclosure is omitted.

(Information related to impairment loss on fixed assets by reportable segment)

Since this information is not significant, this disclosure is omitted.

(Information related to amortization of goodwill and amortized balance by reportable segment)

Since this information is not significant, this disclosure is omitted.

(Information related to gain on negative goodwill by reportable segment)

None applicable.

19. Related Party Transactions

Significant related party transactions of the Company for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
Hokkoku Bank, Ltd.	2013	2012	2013
Transactions for the year ended March 31			
Borrowings	¥41,320	¥61,400	$439,621
Payment of interest	343	326	3,653
Balances as of March 31			
Long-term loans payable	¥26,500	¥26,500	$281,944
Short-term loans payable	3,360	3,360	35,748
Other current liabilities	106	107	1,128

(Note)

Akira Miyama, who is an Audit & Supervisory Member of the Company, is concurrently the chairman of the Hokkoku Bank, Ltd. (the "Bank"). The Company borrowed from the Bank of which he is a representative, and interest rate has been decided reasonably considering the market interest rate.

20. Amounts per Share

Basic net income (loss) per share has been computed based on the net income (loss) available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

Net assets per share are computed based on the net assets excluding share subscription rights and minority interests and the number of common stock outstanding at the year end.

Net assets and basic net income (loss) per share as of and for the years ended March 31, 2013 and 2012 were as follows:

	Yen	Yen	U.S. dollars
	2013	2012	2013
Net assets per share	¥1,585.22	¥1,625.66	$16.86
Net income (loss) per share	¥0.47	¥(25.32)	$0.005

(Note)

Since either the Company or its consolidated subsidiaries did not have potentially dilutive securities as of March 31, 2013 and 2012, diluted net income per share was not disclosed.

The bases of calculation for net income (loss) per share were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
For the years ended March 31	2013	2012	2013
Net income (loss)	¥98	¥(5,288)	$1,044
Amounts not attributable to common stock	—	—	—
Net income (loss) attributable to common stock	98	(5,288)	1,044
Weighted average number of common stock during the year (thousands of shares)	208,838	208,845	

The bases of calculation for net assets per share were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
As of March 31	2013	2012	2013
Net assets	¥331,049	¥339,503	$3,522,172
Amounts deducted from net assets	—	—	—
Net assets attributable to common stock	331,049	339,503	3,522,172
Number of shares of common stock at the year end (thousand of shares)	208,835	208,841	

Independent Auditor's Report

The Board of Directors
Hokuriku Electric Power Company

We have audited the accompanying consolidated financial statements of Hokuriku Electric Power Company and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hokuriku Electric Power Company and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 5.

Ernst & Young ShinNihon LLC

June 26, 2013
Toyama, Japan

Non-Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars
ASSETS	2013	2012	2013
Noncurrent assets	¥1,162,030	¥1,174,468	$12,363,341
Property plant and equipment	887,102	907,107	9,438,264
Hydroelectric power production facilities	105,291	107,473	1,120,241
Thermal power production facilities	111,806	115,841	1,189,557
Nuclear power production facilities	217,063	226,827	2,309,430
Internal combustion engine power production facilities	53	60	570
Renewable power production facilities	3,401	1,684	36,192
Transmission facilities	173,403	177,339	1,844,912
Transformation facilities	89,601	89,948	953,307
Distribution facilities	154,985	155,756	1,648,957
General facilities	31,433	32,106	334,431
Facilities loaned	62	67	663
Incidental business facilities	3,494	4,091	37,182
Non-operating facilities	2,475	2,445	26,337
Construction in progress	34,749	30,978	369,715
Construction in progress	34,584	30,920	367,959
Retirement in progress	165	58	1,755
Nuclear fuel	96,994	95,161	1,031,966
Loaded nuclear fuel	26,219	26,219	278,960
Nuclear fuel in processing	70,775	68,942	753,006
Investments and other assets	137,213	134,683	1,459,874
Long-term investments	61,205	55,431	651,192
Long-term investment for subsidiaries and affiliates	23,886	23,881	254,137
Fund for reprocessing of irradiated nuclear fuel	17,231	21,036	183,328
Long-term prepaid expenses	1,827	2,304	19,448
Deferred tax assets	33,096	32,075	352,127
Allowance for doubtful accounts	(33)	(47)	(360)
Current assets	204,113	183,669	2,171,655
Cash and deposits	113,702	90,373	1,209,728
Accounts receivable-trade	35,744	34,508	380,303
Other accounts receivable	2,251	6,740	23,958
Supplies	27,610	26,315	293,763
Prepaid expenses	3,176	7,789	33,794
Short-term receivables from subsidiaries and affiliates	957	2,830	10,186
Deferred tax assets	7,842	9,765	83,440
Other	12,988	5,534	138,193
Allowance for doubtful accounts	(160)	(188)	(1,712)
Total	¥1,366,144	¥1,358,137	$14,534,997

	Millions of yen	Millions of yen	Thousands of U.S. dollars
LIABILITIES AND NET ASSETS	2013	2012	2013
Noncurrent liabilities	¥852,284	¥824,158	$9,067,817
Bonds payable	438,627	428,612	4,666,741
Long-term loans payable	284,529	266,688	3,027,232
Long-term debt to subsidiaries and affiliates	172	186	1,833
Provision for retirement benefits	21,711	25,452	231,002
Provision for reprocessing of irradiated nuclear fuel	17,989	21,734	191,400
Provision for reprocessing of irradiated nuclear fuel without specific plans	5,429	5,220	57,767
Asset retirement obligations	67,654	65,423	719,804
Other	16,169	10,839	172,034
Current liabilities	195,134	203,632	2,076,123
Current portion of noncurrent liabilities	86,436	88,276	919,636
Short-term loans payable	15,000	15,000	159,591
Commercial papers	—	15,000	—
Accounts payable-trade	21,188	16,376	225,436
Accounts payable-other	9,168	8,073	97,551
Accrued expenses	37,797	38,594	402,140
Accrued income taxes and other	6,860	6,878	72,986
Deposits received	523	526	5,574
Short-term debt to subsidiaries and affiliates	16,181	14,281	172,158
Other advances	676	624	7,202
Other	1,301	1	13,846
Reserves under the special laws	9,896	10,627	105,293
Reserve for fluctuation in water levels	9,896	10,627	105,293
Total liabilities	1,057,315	1,038,418	11,249,235
Shareholders' equity	302,842	315,600	3,222,069
Common stock	117,641	117,641	1,251,638
Capital surplus	33,993	33,993	361,669
Legal capital surplus	33,993	33,993	361,669
Retained earnings	154,491	167,245	1,643,702
Legal retained earnings	28,386	28,386	302,016
Other retained earnings	126,105	138,858	1,341,685
Reserve for overseas investment loss	7	7	81
Reserve for adjustment of cost fluctuations	—	47,500	—
General reserve	80,000	80,000	851,154
Retained earnings brought forward	46,097	11,351	490,449
Treasury stock	(3,284)	(3,279)	(34,941)
Valuation and translation adjustments	5,986	4,118	63,692
Net unrealized gain on securities	5,986	4,118	63,692
Total net assets	308,828	319,719	3,285,761
Total	¥1,366,144	¥1,358,137	$14,534,997

HOKURIKU ELECTRIC POWER COMPANY
For the Years Ended March 31, 2013 and 2012

Non-Consolidated Statements of Operations

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2013	2012	2013
Operating revenue	¥479,502	¥483,395	$5,101,628
Electricity	477,750	481,642	5,082,992
Residential	160,811	159,350	1,710,944
Commercial and industrial	266,489	269,399	2,835,293
Sold power to other utilities	38,074	43,687	405,092
Sold power to other suppliers	5,239	4,363	55,742
Transmission revenue	1,044	957	11,108
Settlement revenue among utilities	5	11	56
Grant under Act on Purchase of Renewable Energy Sourced Electricity	2,404	—	25,582
Other electricity revenue	3,673	3,863	39,085
Revenue from facilities loaned	8	9	86
Incidental business operating revenue	1,751	1,753	18,635
Operating revenue-thermal energy facility solutions	724	724	7,706
Operating revenue-electric power facility solutions	1,014	1,015	10,788
Operating revenue-other businesses	13	13	141
Operating expenses	471,461	475,396	5,016,081
Electricity	470,347	474,225	5,004,233
Hydroelectric power production expenses	23,061	22,838	245,365
Thermal power production expenses	189,078	190,433	2,011,686
Nuclear power production expenses	53,426	67,838	568,427
Internal combustion engine power production expenses	72	69	771
Renewable power production expenses	412	417	4,393
Purchased power from other utilities	1,813	1,139	19,293
Purchased power from other suppliers	46,031	44,863	489,749
Transmission expenses	26,820	26,494	285,357
Transformation expenses	16,668	17,072	177,339
Distribution expenses	43,930	36,264	467,396
Selling expenses	15,070	15,359	160,344
Cost of loaned facilities	5	6	57
General and administrative expenses	34,108	34,974	362,897
Levy under Act on Purchase of Renewable Energy Sourced Electricity	3,794	—	40,368
Electric power development promotion tax	10,544	10,853	112,189
Enterprise tax	5,507	5,598	58,593
Incidental business operating expenses	1,113	1,171	11,847
Operating expenses-thermal energy facility solutions	427	478	4,547
Operating expenses-electric power facility solutions	678	684	7,219
Operating expenses-other businesses	7	7	80
Operating income	8,040	7,999	85,547
Other income	2,725	3,588	28,999
Financial revenue	1,586	1,711	16,876
Dividends income	1,074	1,246	11,437
Interest income	511	465	5,439
Other revenue	1,139	1,877	12,122
Gain on sales of noncurrent assets	1	12	17
Miscellaneous revenue	1,137	1,864	12,104
Other expenses	12,963	13,867	137,924
Financial expenses	12,292	12,518	130,780
Interest expenses	12,121	12,515	128,964
Bond issuance cost	170	3	1,816
Other expenses	671	1,348	7,143
Loss on sales of noncurrent assets	26	11	283
Miscellaneous expenses	644	1,337	6,859
Total ordinary revenue	482,227	486,984	5,130,627
Total ordinary expenses	484,424	489,264	5,154,005
Ordinary loss	(2,197)	(2,279)	(23,377)
Provision or reversal of reserve for fluctuation in water levels	(731)	3,650	(7,779)
Provision of reserve for fluctuation in water levels	—	3,650	—
Reversal of reserve for fluctuation in water levels	(731)	—	(7,779)
Extraordinary income	—	6,000	—
Settlement proceeds	—	6,000	—
Income (loss) before income taxes	(1,466)	69	(15,597)
Income taxes-current	779	3,564	8,292
Income taxes for prior periods	—	398	—
Income taxes-deferred	64	2,752	687
Total income taxes	843	6,715	8,979
Net loss	¥(2,310)	¥(6,645)	$(24,577)
	Yen	Yen	U.S. dollars
PER SHARE:			
Net loss	¥(11.06)	¥(31.82)	$(0.11)
Cash dividends	50.00	50.00	0.53

Non-Consolidated Statements of

	Number of shares of common stock
BALANCE as of APRIL 1, 2011	210,333,694
Provision of reserve for overseas investment loss	—
Dividends from surplus	—
Net loss	—
Purchase of treasury stock	—
Disposal of treasury stock	—
Net changes of items other than shareholders' equity	—
Total changes of items during the year	—
BALANCE as of APRIL 1, 2012	210,333,694
Reversal of reserve for adjustment of cost fluctuations	—
Dividends from surplus	—
Net loss	—
Purchase of treasury stock	—
Disposal of treasury stock	—
Net changes of items other than shareholders' equity	—
Total changes of items during the period	—
BALANCE as of MARCH 31, 2013	210,333,694

BALANCE as of APRIL 1, 2012
Reversal of reserve for adjustment of cost fluctuations
Dividends from surplus
Net loss
Purchase of treasury stock
Disposal of treasury stock
Net changes of items other than shareholders' equity
Total changes of items during the period
BALANCE as of MARCH 31, 2013

U.S. dollar amounts have been translated from yen, for convenience, at

Changes in Net Assets

Millions of yen

Shareholders' equity									Valuation and translation adjustments	
Capital stock	Capital surplus	Retained earnings					Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total net assets
	Legal capital surplus	Legal retained earnings	Other retained earnings							
			Reserve for overseas investment loss	Reserve for adjustments of cost fluctuation	General reserve	Retained earnings brought forward				
¥117,641	¥33,993	¥28,386	¥7	¥47,500	¥80,000	¥28,442	¥(3,263)	¥332,707	¥3,513	¥336,221
—	—	—	0	—	—	(0)	—	—	—	—
—	—	—	—	—	—	(10,442)	—	(10,442)	—	(10,442)
—	—	—	—	—	—	(6,645)	—	(6,645)	—	(6,645)
—	—	—	—	—	—	—	(24)	(24)	—	(24)
—	—	—	—	—	—	(2)	8	6	—	6
—	—	—	—	—	—	—	—	—	605	605
—	—	—	0	—	—	(17,091)	(15)	(17,106)	605	(16,501)
117,641	33,993	28,386	7	47,500	80,000	11,351	(3,279)	315,600	4,118	319,719
—	—	—	—	(47,500)	—	47,500	—	—	—	—
—	—	—	—	—	—	(10,441)	—	(10,441)	—	(10,441)
—	—	—	—	—	—	(2,310)	—	(2,310)	—	(2,310)
—	—	—	—	—	—	—	(8)	(8)	—	(8)
—	—	—	—	—	—	(1)	3	1	—	1
—	—	—	—	—	—	—	—	—	1,867	1,867
—	—	—	—	(47,500)	—	34,746	(4)	(12,758)	1,867	(10,890)
¥117,641	¥33,993	¥28,386	¥7	¥—	¥80,000	¥46,097	¥(3,284)	¥302,842	¥5,986	¥308,828

Thousands of U.S. dollars

Shareholders' equity									Valuation and translation adjustments	
Capital stock	Capital surplus	Retained earnings					Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total net assets
	Legal capital surplus	Legal retained earnings	Other retained earnings							
			Reserve for overseas investment loss	Reserve for adjustments of cost fluctuation	General reserve	Retained earnings brought forward				
$1,251,638	$361,669	$302,016	$81	$505,372	$851,154	$120,771	$(34,893)	$3,357,812	$43,820	$3,401,632
—	—	—	—	(505,372)	—	505,372	—	—	—	—
—	—	—	—	—	—	(111,096)	—	(111,096)	—	(111,096)
—	—	—	—	—	—	(24,577)	—	(24,577)	—	(24,577)
—	—	—	—	—	—	—	(87)	(87)	—	(87)
—	—	—	—	—	—	(20)	38	17	—	17
—	—	—	—	—	—	—	—	—	19,872	19,872
—	—	—	—	(505,372)	—	369,677	(48)	(135,743)	19,872	(115,870)
$1,251,638	$361,669	$302,016	$81	$—	$851,154	$490,449	$(34,941)	$3,222,069	$63,692	$3,285,761

the rate of ¥93.99 = U.S.$1.00, the approximate rate of exchange at March 31, 2013.

Six-Year Summary

HOKURIKU ELECTRIC POWER COMPANY
Years ended March 31

	2013	2012	2011	2010	2009	2008
Consolidated Statements of Operations Data (Millions of Yen)						
Operating revenue	492,487	495,118	494,165	471,422	524,600	477,911
Operating expenses	480,729	483,457	444,176	430,428	498,420	450,241
Operating income	11,758	11,661	49,989	40,994	26,180	27,669
Other income deduction (Net)	9,313	8,275	19,143	13,046	11,472	15,016
Income before income taxes and minority interests	2,444	3,385	30,846	27,948	14,708	12,653
Income taxes	2,346	8,674	11,758	11,014	7,223	5,297
Minority interests in income of consolidated subsidiaries	—	—	—	—	—	—
Net income (loss)	98	(5,288)	19,087	16,933	7,484	7,355
Net income (loss) per share	0.47	(25.32)	89.99	79.16	34.98	34.36
Consolidated Statement of Cash Flows Data (Millions of Yen)						
Net cash provided by operating activities	86,505	68,048	133,831	145,762	110,315	67,335
Net cash used in investing activities	(61,743)	(58,841)	(77,222)	(49,503)	(59,576)	(40,754)
Net cash provided by (used in) financing activities	(1,183)	9,569	(96,287)	(79,445)	(47,875)	21,731
Net increase (decrease) in cash and cash equivalents	23,578	18,776	(39,678)	16,813	2,863	48,311
Cash and cash equivalents at end of the year	116,340	92,749	73,973	113,651	96,837	93,973

	2013	2012	2011	2010	2009	2008
Non-Consolidated Statements of Operations Data (Millions of Yen)						
Operating revenue	479,502	483,395	482,748	460,290	512,991	466,022
Residential	160,811	159,350	158,662	149,092	156,819	151,470
Commercial and industrial	266,489	269,399	261,990	248,469	277,607	265,906
Other	52,201	54,645	62,094	62,728	78,564	48,646
Operating expenses	471,461	475,396	436,120	422,575	490,441	441,663
Personnel expenses	49,645	52,202	53,855	52,473	48,557	42,630
Fuel	138,425	142,376	82,478	81,953	150,138	129,427
Maintenance	59,297	61,935	62,922	55,617	49,646	38,888
Depreciation	70,970	77,537	82,598	86,240	91,282	97,288
Purchased Power	47,844	46,002	49,934	43,787	53,609	46,619
Other	105,278	95,342	104,331	102,503	97,206	86,810
Operating income	8,040	7,999	46,627	37,715	22,549	24,359
Other income deduction (Net)	9,506	7,929	19,951	12,785	10,625	15,031
Income (loss) before income taxes	(1,466)	69	26,676	24,929	11,923	9,327
Income taxes	843	6,715	10,022	9,745	4,980	4,153
Net income (loss)	(2,310)	(6,645)	16,653	15,183	6,943	5,174
Net income (loss) per share	(11.06)	(31.82)	78.52	70.98	32.45	24.17

	2013	2012	2011	2010	2009	2008
Operating Statistics						
Utility Plant Date						
Generating Capacity (MW)	8,061	8,058	8,057	7,963	7,962	8,114
Hydroelectric	1,906	1,904	1,904	1,817	1,816	1,816
Thermal	4,400	4,400	4,400	4,400	4,400	4,400
Nuclear	1,746	1,746	1,746	1,746	1,746	1,898
New Energy	9	7	6	—	—	—
Route Length of Transmission Lines (km)	3,314	3,311	3,301	3,310	3,315	3,304
Substations (MVA)	29,381	29,049	28,651	28,650	28,579	27,760
Conductor Length of Distribution Lines (km)	121,516	121,305	121,078	120,863	120,530	120,226
kWh Output Data (Millions of kWh)						
Generated	29,634	30,151	35,185	31,264	35,028	30,820
Hydroelectric	5,902	6,444	6,180	5,556	5,201	5,518
Thermal	23,726	23,701	16,557	16,035	20,566	25,302
Nuclear	0	0	12,445	9,673	9,261	0
New Energy	6	6	4	—	—	—
Purchased and Interchanged	1,355	1,732	(2,438)	(1,089)	(3,779)	1,547
System Operating Requirement (Deduct)	2,914	2,985	(3,204)	(3,000)	(3,095)	(3,062)
Total Sales of Electric Power	28,075	28,898	29,543	27,175	28,154	29,305
Peak Load (MW)	5,264	5,334	5,732	5,159	5,691	5,580
Date when the Peak Demand was Recorded	Aug. 22	Aug. 9	Aug. 5	Jan. 14	Jul. 23	Aug. 9
Total Sales of Electric Power (Millions of kWh)	28,075	28,898	29,543	27,175	28,154	29,305
Lighting (Residential)	8,539	8,522	8,662	7,995	7,902	7,913
Commercial and Industrial	19,536	20,376	20,881	19,180	20,252	21,392
Commercial Power	5,184	5,186	5,391	5,186	5,239	5,249
Small Industrial Power	3,534	3,700	3,779	3,425	3,686	3,991
Large Industrial Power	10,413	11,097	11,272	10,144	10,901	11,696
Other Services	405	424	440	425	426	456
Customer Data						
Number of Customers (Thousand)	2,097	2,091	2,088	2,084	2,081	2,082
Lighting (Residential)	1,863	1,852	1,842	1,832	1,822	1,815
Commercial and Industrial	233	240	246	252	259	267
Population Served (Thousand)	2,966	2,980	2,993	2,994	3,005	3,014
Number of Employees	5,126	5,009	4,971	4,716	4,630	4,611
Number of Shareholders	97,189	98,352	102,229	110,259	112,779	120,442

Corporate Information

Date of Establishment
May 1, 1951

Service Territory
Toyama, Ishikawa and Fukui (excluding some districts), and a part of Gifu

Number of Shareholders
97,189 (at the end of March 2013)

Corporate Resources and Facilities (at the end of March 2013)

Capital (billions of yen)	117.64
Number of employees	5,126
Hydroelectric power capacity (MW)	1,906
Thermal power capacity (MW) (steam and internal combustion engine)	4,400
Nuclear power capacity (MW)	1,746
New energy (MW)	9
Transmission facilities (line length in km)	3,314
Transformation facilities (thousands of kVA)	29,381
Distribution facilities (conductor length in km)	121,516
Number of contracts (thousands) (total of lighting and power contracts)	2,097
Electricity sales (billions of kWh) (for fiscal year)	28.1

Head Office and Branches

Head Office: 15-1 Ushijima-machi, Toyama-shi 930-8686, Japan
Toyama Branch: 13-15 Ushijima-machi, Toyama-shi 930-0858, Japan
Takaoka Branch: 7-15 Hirokoji, Takaoka-shi 933-0057, Japan
Uozu Branch: 1-12-12 Shinkanaya, Uozu-shi 937-0801, Japan
Ishikawa Branch: 6-11 Shimohonda-machi, Kanazawa-shi 920-0993, Japan
Nanao Branch: 61-7 Mishima-cho, Nanao-shi 926-8585, Japan
Komatsu Branch: 25-1 Sakae-machi, Komatsu-shi 923-0934, Japan
Fukui Branch: 1-4-1 Hinode, Fukui-shi 910-8565, Japan
Tannan Branch: 1-6 Aza Higashinozue, 10, Shin-cho, Echizen-shi 915-0883, Japan
Tokyo Branch: 2-8-1 Toranomon, Minato-ku 105-0001, Japan

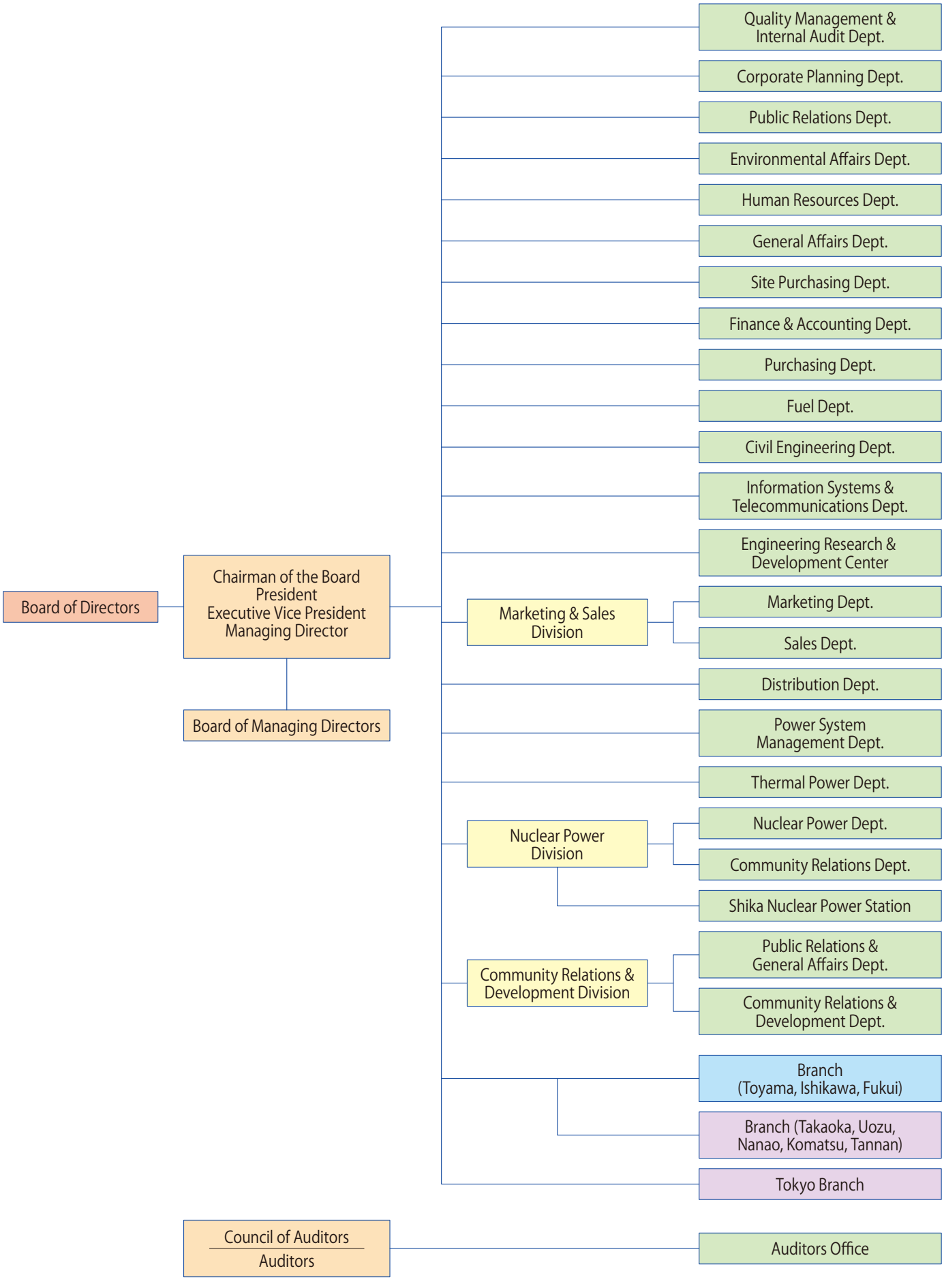
Directors and Auditors

Chairman of the Board: Isao Nagahara
President: Susumu Kyuwa
Executive Vice Presidents: Yuichi Hori, Mitsuaki Minabe, Yutaka Kanai

Managing Directors: Masato Kontani, Junichi Akamaru, Shigeru Yano, Masayuki Horita, Akizumi Nishino, Toshiyuki Hasegawa

Standing Auditors: Koichi Takakuwa, Takamasa Omi
Auditors: Shinichiro Inushima, Akira Miyama, Tatsuo Kawada

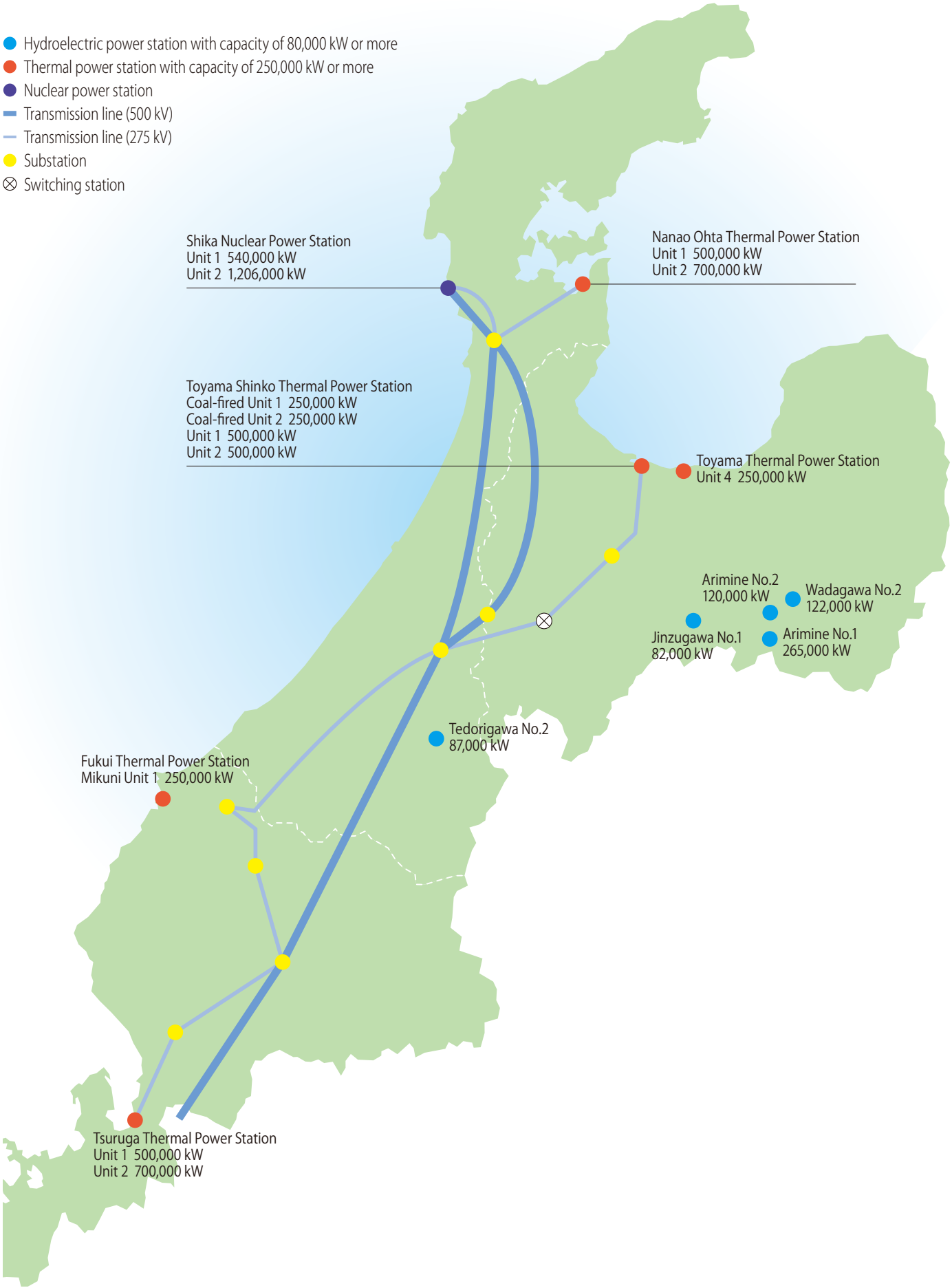
Corporate Organization



List of Affiliated Companies (As of July 1, 2013)

Name of company	Capital (Millions of yen)	Investment stake (%)	Date of establishment	Major business lines
The Nihonkai Power Generating	7,350	100.0	Apr. 15, 1982	Wholesale supply of electricity
Kurobegawa Denryoku	3,000	50.0	Oct. 20, 1923	Wholesale supply of electricity
Toyama Kyodo Jikahatsuden Co., Ltd.	1,350	50.0	Apr. 28, 1952	Non-utility electric power generation for auxiliary use
Hokuriku Plant Services Co., Ltd.	95	100.0	Apr. 1, 1970	Maintenance and engineering works of thermal and nuclear power generation equipment
Hokuden Techno Service	50	100.0	Apr. 1, 1982	Maintenance and engineering works of hydroelectric power generation and transformation equipment
Nihonkai Kenko Co., Ltd.	200	48.0	Mar. 23, 1946	Design and execution of civil engineering and construction works
HOKURIKU ELECTRICAL CONSTRUCTION CO., LTD.	3,328	28.3	Oct. 1, 1944	Electrical work
Nihonkai Concrete Industries Co.	150	80.0	Feb. 4, 1953	Production and sale of concrete poles and piles
Hokuriku Instrumentation	30	40.0	Sep. 1, 1970	Production, repair and testing of Watt-hour meters, etc.
Hokuriku Energys Co., Ltd.	48	25.0	Apr. 3, 1981	Production and sale of distribution switches, etc.
Hokuriku Electric Co., Ltd.	200	19.8	May 17, 1944	Production and sale of transformers and switchboards
Hokuriku Telecommunication Network Co., Inc.	6,000	100.0	May 25, 1993	Wide area Ethernet service and Internet service
Power and IT Company	495	53.5	Aug. 11, 2009	Data center business
CABLE TELEVISION TOYAMA INCORPORATED	2,010	13.4	Apr. 15, 1994	Cable TV broadcasting service and Internet Service
Hokuriku LNES Co., Ltd.	200	41.0	Aug. 31, 2001	Sale of LNG
Hokuden Industry Co., Ltd.	100	100.0	Jun. 1, 1974	Lease and management, temporary staffing, lease, and net shop "百選横丁" care, and a welfare work
The Hokuden Information System Service Company, Inc.	50	100.0	Apr. 1, 1987	Development and maintenance of software
Hokuriku Electric Power Living Service Co., Ltd.	50	100.0	Jul. 1, 1987	Proposal of energy conservation and comfortable lifestyle using electricity
Hokuden Partner Service Inc.	20	100.0	Jul. 2, 1990	Maintenance of electrical power equipment, and operation of electrical and other related facilities
Nihonkai Environmental Service Inc.	50	100.0	Jan. 10, 1992	Environment survey,and design and execution of environment greening works
Hokuden Engineering Consultants Co., Ltd.	50	100.0	Jul. 1, 2001	Research, design and administration of civil engineering and construction works, etc.
Hokuriku Denki Shoji Co., Ltd.	10	60.0	Nov. 8, 1949	Pole advertisement and travel business
Japan Ecology and Security Service Company	50	51.0	Jun. 1, 2000	Recycling and storage of classified and preserved documents, and sale of paper products
Plastic Recycling Technology Company	200	51.0	Jul. 10, 2002	Plastic recycling

Outline of Supply Facilities (As of April 2013)



Hokuriku Electric Power Company

15-1 Ushijima-machi, Toyama-shi 930-8686, Japan
http://www.rikuden.co.jp