

FY2012 2nd Quarter Financial Results (April 1–September 30,2012) Supplemental Material

Oct 30, 2012(Tue)



Hokuriku Electric Power Company

Regarding Forward-Looking Statements(Performance Projections)

Certain statements in the following presentation regarding Hokuriku Electric Power Company's business operations may constitute "forward-looking statements." As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the Company's actual results to differ materially from the Forward-looking statements (Performance projections) herein.

(note)

Please note that the following to be an accurate and complete translation of the Japanese version prepared for convenience of our English-speaking investors. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Total Sales of Electric Power

➤ 13.62 billion kWh

(0.47 billion kWh decrease compared with the previous year)

■ Lighting :In spite of summer heat, decrease due to energy conservation

■ Commercial : Same as the previous year

■ Industrial and other : Decrease mainly in machinery sector

(Billion kWh,%)

		FY12/2Q (A)	FY11/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Regulated	Lighting	3.72	3.76	Δ 0.04	98.9
	Low-voltage	0.65	0.68	Δ 0.02	96.6
	Subtotal	4.37	4.44	Δ 0.07	98.5
Liberarized	Commercial	2.62	2.62	0.00	100.1
	Industrial and other	6.64	7.04	Δ 0.40	94.3
	Subtotal	9.25	9.65	Δ 0.40	95.8
Total		13.62	14.09	Δ 0.47	96.7
Large Industrial		5.32	5.68	Δ 0.36	93.7
Residential		6.42	6.47	Δ 0.05	99.3
Other than residential		7.20	7.62	Δ 0.42	94.5

※ Residential=lighting, commercial power and night only service

(Reference) Sales to Large-scale user by main Industry

(Billion kWh,%)

		FY12/2Q (A)	FY11/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Total of large-scale user		5.32	5.68	Δ 0.36	93.7
Main industry	Textile	0.51	0.56	Δ 0.05	90.9
	Paper and pulp	0.15	0.19	Δ 0.04	78.8
	Chemical	0.64	0.67	Δ 0.03	95.6
	Steel	0.40	0.43	Δ 0.03	92.4
	Machinery	1.66	1.85	Δ 0.19	89.7
	(Electrical Machinery in Machinery sector)	(1.15)	(1.35)	(Δ 0.20)	(85.1)
Fabricated metal		0.37	0.36	0.01	103.1

(Reference) Average monthly temperature(3 Hokuriku cities)

(°C)

	April	May	June	July	August	September
Actual data	12.6	17.0	21.4	26.7	28.8	25.0
Comparison with the previous year	+1.3	Δ 0.4	Δ 1.4	Δ 0.4	+1.5	+1.3
Comparison with the average year	+0.1	Δ 0.3	+0.2	+1.4	+1.9	+2.4

(Note)Hokuriku 3 cities: Toyama city, Kanazawa city, Fukui city

Total Power Generated, Purchased and Sold

- Increase in thermal due to the low-water flow and the decrease of purchase volume from other utilities despite the decrease in sales volume of electric power

(Billion kWh,%)

	FY12/2Q (A)	FY11/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow ratio]	[90.6]	[103.5]	[Δ 12.9]	
Hydroelectric	3.58	3.86	Δ 0.27	92.9
Thermal	10.87	10.31	0.56	105.4
Nuclear	—	—	—	—
Renewable	0.00	0.00	0.00	101.4
Subtotal	14.46	14.17	0.29	102.0
Purchased from other utilities	1.12	1.72	Δ 0.60	65.3
Sold to other utilities	Δ 0.68	Δ 0.55	Δ 0.13	124.2
Total	14.88	15.33	Δ 0.44	97.1

Overview of FY2012/2Q Financial Results

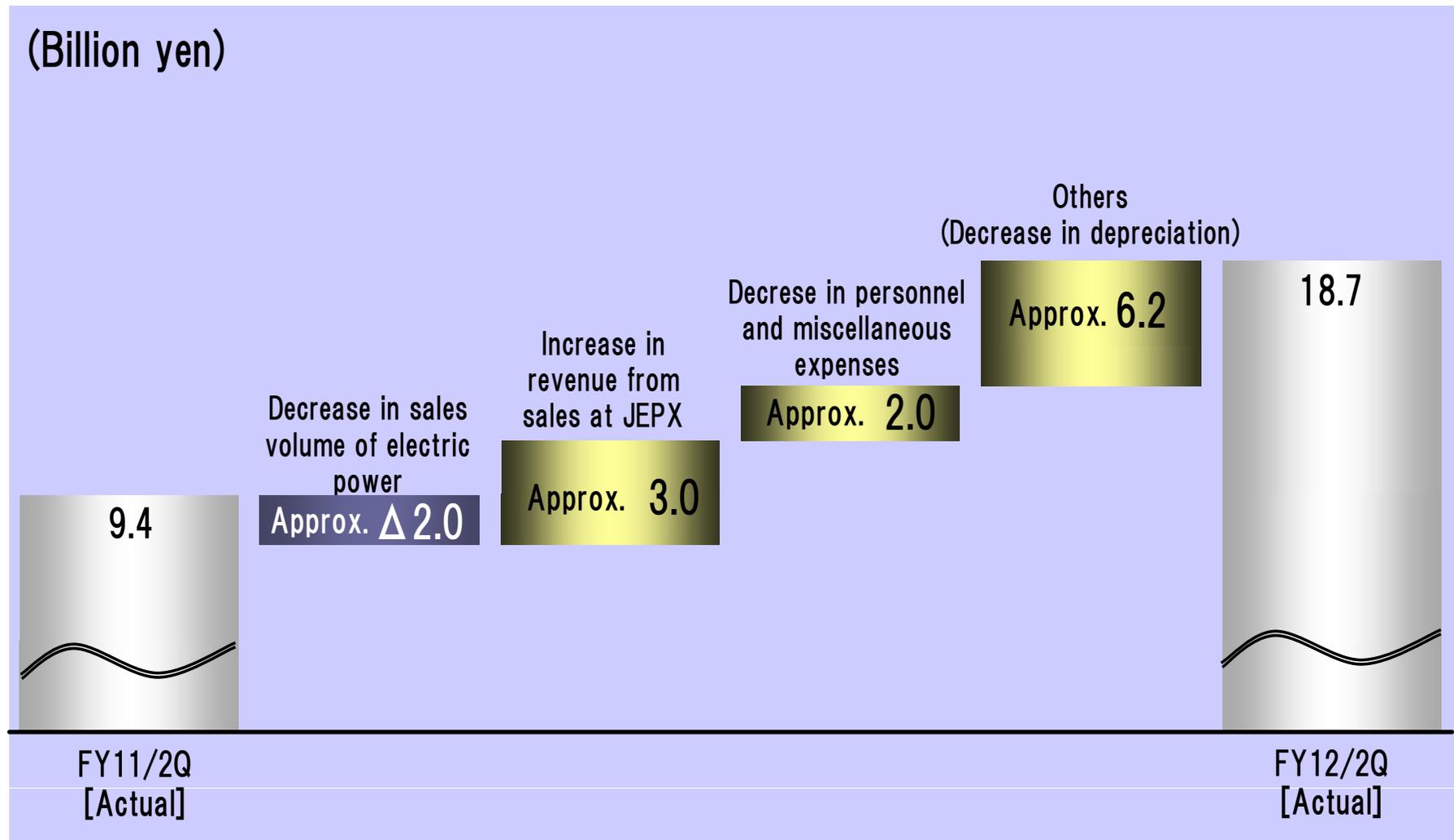
- Consolidated operating revenue : 8.0 billion yen increase
 - Due to the increase in sales revenue of electric power and sales revenue at JEPX
- Consolidated ordinary income : 9.2 billion yen increase
 Due to the reason above and decrease in depreciation and miscellaneous expenses

(Billion yen,%)

		FY12/2Q (A)	FY11/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	249.5	241.5	8.0	103.3
	Operating income	23.6	15.2	8.3	154.8
	Ordinary income	18.7	9.4	9.2	197.5
	Net income	12.1	3.8	8.2	315.6
Non-consolidated	Operating revenue	243.1	235.8	7.2	103.1
	Operating income	22.3	13.5	8.7	164.8
	Ordinary income	17.6	8.2	9.4	214.8
	Net income	11.5	3.2	8.3	352.4

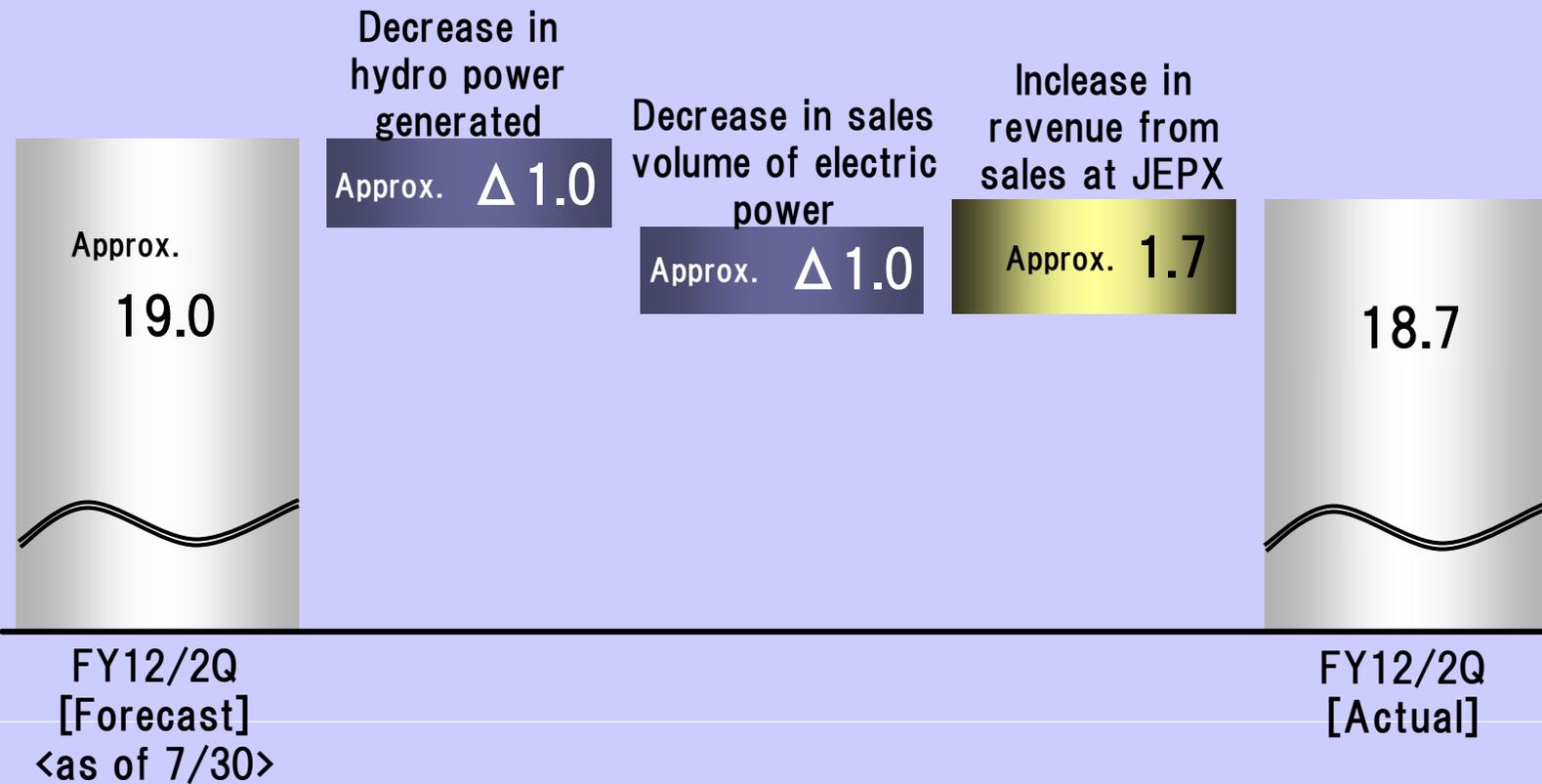
<The number of consolidated subsidiaries - 11 affiliates and 2 equity method affiliates>

Changing factor of Consolidated Ordinary Income (Comparison with FY2011/2Q)



Changing factor of Consolidated Ordinary Income (Comparison with Forecast as of 7/30)

(Billion yen)



FY2012 Forecast (Key Factor)

【Total sales of electric power】

➤ 28.0 billion kWh

(0.5 billion kWh decrease compared with the forecast as of 7/30)

Due to the energy conservation and low demand of industrial sector

	FY2012		Comparison	(Reference)
	As of 10/30(A)	As of 7/30(B)	(A)-(B)	FY2011 Actual Performance
Total sales of electric power	Approx. 28.0 (Approx. 97%)	Approx. 28.5 (Approx. 99%)	Δ 0.5	28.90 (97.8%)

※ Figures in parentheses denote percentage from previous year

【Key factor】

	FY2012				(Reference)
	1 - 2Q Actual performance	3 - 4Q Forecast	Forecast as of 10/30	Forecast as of 7/30	FY2011 Actual performance
Currency Rate	79.4	Approx. 80	Approx. 80	Approx. 80	79.1
C I F oil prices (All Japan)	114.0	Approx. 115	Approx. 115	Approx. 120	114.2
Flow rate	90.6	Approx. 87	Approx. 90	Approx. 99	103.7

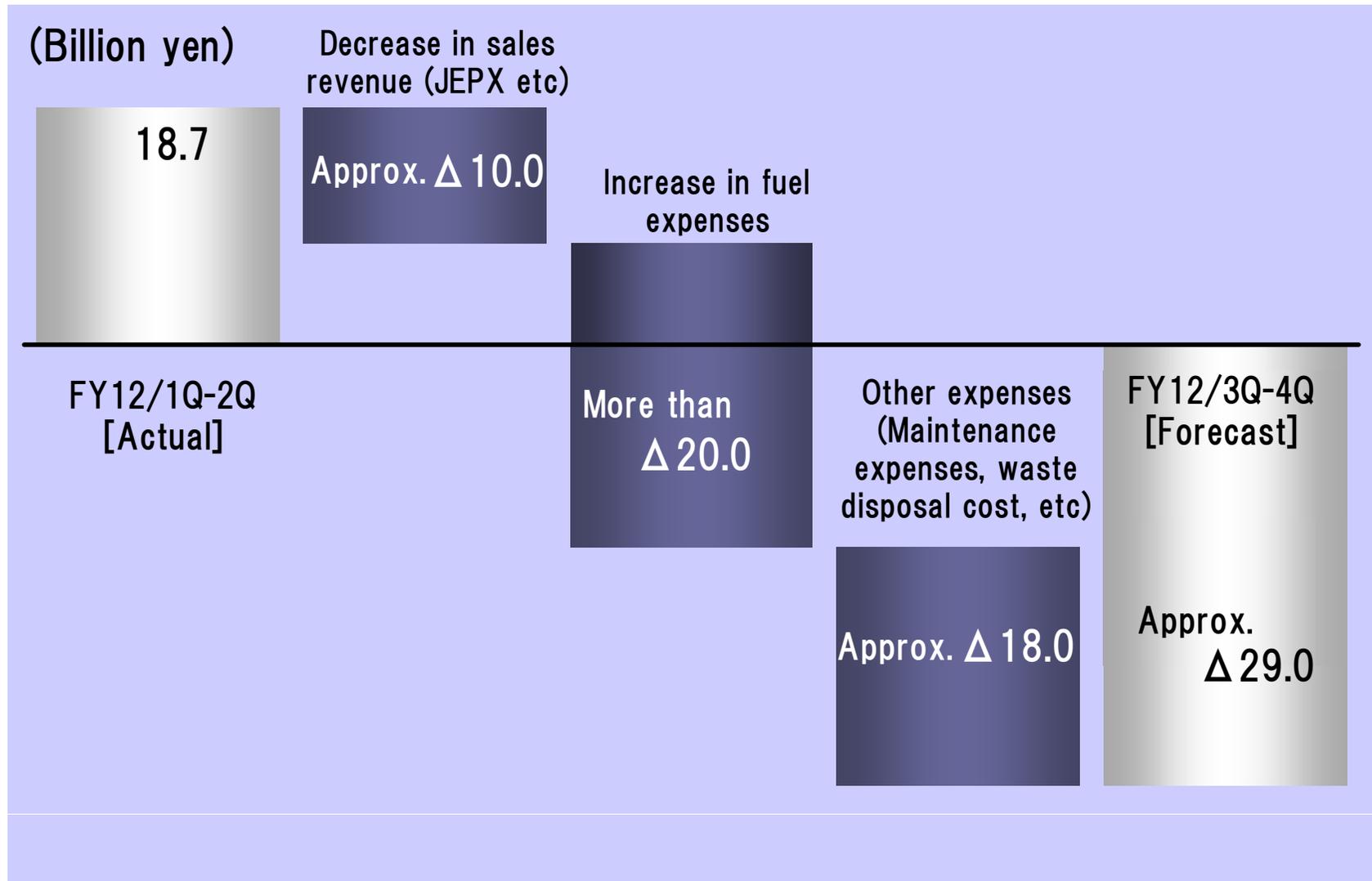
FY2012 Revenue and Income Forecast

- 485 billion yen consolidated operating revenue and 475 billion yen non-consolidated operating revenue
- 10 billion yen consolidated ordinary loss and 13 billion yen non-consolidated ordinary loss
(This forecast is based on the assumption that our nuclear plant won't restart within this fiscal year)

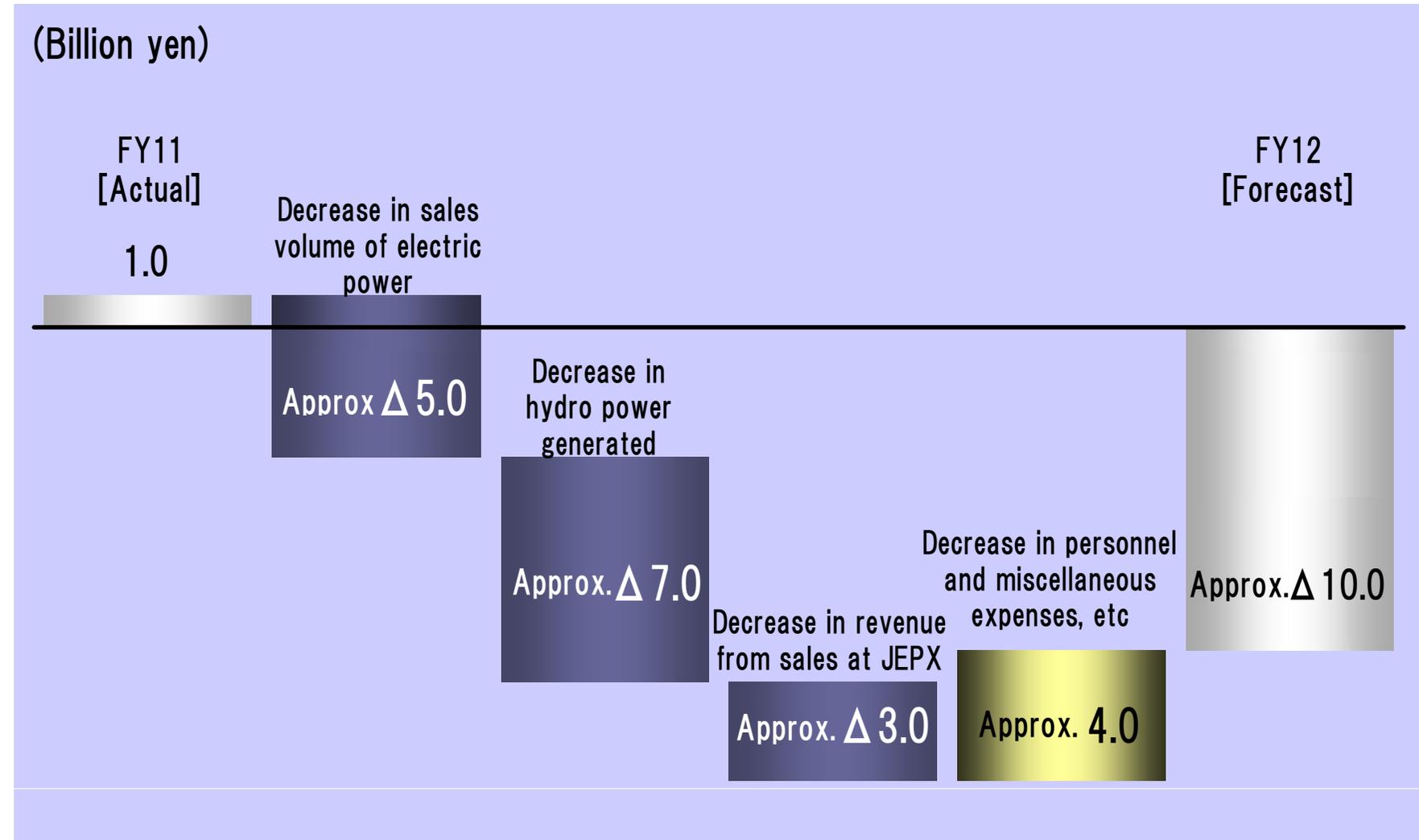
		(Billion yen)			(Reference)	
		FY2012 Forecast		Comparison	FY11 Actual performance(C)	Comparison
		As of 10/30	As of 7/30	(A)-(B)		(A)-(C)
Consolidated	Operating revenues	Approx. 485.0 (Approx.98%)	Approx. 485.0 (Approx. 98%)	—	495.1 (100.2%)	Approx.Δ 10.1
	Operating income	Approx. 0.0	Uncertain	—	11.6 (23.3%)	Approx.Δ 11.6
	Ordinary income	Approx. Δ 10.0	Uncertain	—	1.0 (2.9%)	Approx.Δ 11.0
	Net income	Approx. Δ 7.0	Uncertain	—	Δ 5.2	Approx. Δ 1.8
Non-Consolidated	Operating revenues	Approx. 475.0 (Approx.98%)	Approx. 475.0 (Approx.98%)	—	483.3 (100.1%)	Approx. Δ 8.3
	Operating income	Approx. Δ 3.0	Uncertain	—	7.9 (17.2%)	Approx.Δ 10.9
	Ordinary income	Approx. Δ 13.0	Uncertain	—	Δ 2.2	Approx.Δ 10.8
	Net income	Approx. Δ 9.0	Uncertain	—	Δ 6.6	Approx. Δ 2.4

*Figures in parentheses denote percentage from the previous year.

Changing factor of Consolidated Ordinary Income (Comparison with the FY12/1Q-2Q)



Changing factor of Consolidated Ordinary Income (Comparison with the previous year)



Consolidated Balance Sheet(Summary)

(Billion yen)

	End of FY12/2Q (A)	End of FY11 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,186.8	1,196.2	Δ 9.3	
Electricity business	900.0	915.5	Δ 15.5	<ul style="list-style-type: none"> - Completion of construction 22.0 - Depreciation Δ 35.7
Others	286.8	280.6	6.1	<ul style="list-style-type: none"> - Nuclear fuel 3.9
Current assets	207.0	189.6	17.4	<ul style="list-style-type: none"> - Cash and Stores 18.3
Total assets	1,393.9	1,385.9	8.0	
Debt with interest	824.2	818.6	5.6	<ul style="list-style-type: none"> - Straight bond Δ 15.0 - Long-term debt loan 15.1 - CP 5.0
Other debt	213.9	217.1	Δ 3.2	
Revenue for fluctuation in water level	10.5	10.6	Δ 0.1	
Total liabilities	1,048.6	1,046.4	2.2	
Total net assets	345.3	339.5	5.8	
[Equity ratio]	[24.8%]	[24.5%]	[0.3%]	
Total of liabilities and net assets	1,393.9	1,385.9	8.0	

Consolidated Statement of Cash Flows

(Billion yen)

	FY12/2Q (A)	FY11/2Q (B)	Comparison (A)-(B)
I .Operating activities①	51.5	14.7	36.8
Income before income taxes and minority interests	18.8	7.0	11.8
Depreciation and amortization	37.7	41.2	△ 3.5
Others	△ 5.0	△ 33.5	28.5
II .Investing activities②	△ 34.0	△ 30.6	△ 3.4
Capital expenditure	△ 34.1	△ 29.6	△ 4.5
Long-term investment and others	0.1	△ 0.9	1.1
III .Financing activities	0.4	17.8	△ 17.4
Loan,bond,etc	5.6	23.1	△ 17.5
Purchases and sales of own stock	△ 0.0	△ 0.0	0.0
Cash dividends paid③	△ 5.2	△ 5.2	0.0
IV .Net increase in cash and cash equivalents(I + II + III)	17.9	1.9	15.9
○ Free cash flow(①+②+③)	12.3	△ 21.1	33.4
(reference : non-consolidated free cash flow)	(10.3)	(△ 21.7)	(32.0)

Non-Consolidated Statement of Income

(Billion yen,%)

		FY12/2Q (A)	FY11/2Q (B)	Comparison		(Note) Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Lighting, commercial and industrial	210.3	208.9	1.4	100.7	Increase in fuel cost adjustment income
	Sales to other utilities	29.1	23.7	5.4	122.8	Increase in revenue from sales at JEPX
	Others	5.2	4.9	0.2	104.9	
	(Operating revenues)	(243.1)	(235.8)	(7.2)	(103.1)	
	Total	244.7	237.6	7.1	103.0	
Ordinary expenses	Personnel expenses	26.3	27.6	△ 1.3	95.2	Decrease in employees salary and allowances
	Fuel expenses	61.0	56.2	4.8	108.6	Increase in thermal power generated
	Maintenance expenses	27.6	27.9	△ 0.3	98.8	
	Depreciation expenses	35.7	39.0	△ 3.2	91.6	Progress in depreciation
	Purchased power expenses	23.8	27.1	△ 3.2	87.9	Decrease in power purchased from other wholesale utility's nuclear
	Interest paid	6.0	6.3	△ 0.2	95.4	
	Taxes other than income taxes	15.3	15.6	△ 0.3	97.9	
	Nuclear power back-end expenses	0.7	3.3	△ 2.5	23.9	Decrease in power generated by nuclear
	Other expenses	30.3	26.1	4.1	116.0	Increase in outsourcing expenses and waste disposal cost
	Total	227.1	229.4	△ 2.3	99.0	
Operating income		22.3	13.5	8.7	164.8	
Ordinary income		17.6	8.2	9.4	214.8	
Net income		11.5	3.2	8.3	352.4	

Main factor of increase and decrease related to Non-consolidated Finance Results(Revenue)

[Lighting,commercial and industrial]

(Billion kWh,Billion yen)

	FY12/2Q (A)	FY11/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Total Sales of electric power	13.62	14.09	Δ 0.47	
Revenue from lighting, commercial and industrial	210.3	208.9	1.4	<ul style="list-style-type: none"> Decrease in total sales of electric power Δ 5.3 Increase in fuel cost adjustment income +6.8
(Lighting)	73.6	72.5	1.1	
(Commercial and industrial)	136.7	136.4	0.3	

[Sales to other utilities]

(Billion yen)

	FY12/2Q (A)	FY11/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Revenue from sales to other utilities	29.1	23.7	5.4	
Revenue from sales to other electric utilities	25.7	22.0	3.6	<ul style="list-style-type: none"> Increase in revenue from sales at JEPX
Revenue from sales to other utilities	3.4	1.7	1.7	

(Reference)supply volume

(Billion kWh)

To other electric utilities	0.77	0.62	0.15	
To other utilities	0.24	0.14	0.10	

Main factor of increase and decrease related to Non-consolidated Finance Results(Expense)

[Fuel expenses]

(Billion yen)

	FY12/2Q (A)	FY11/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Fuel Expenses	61.0	56.2	4.8	<ul style="list-style-type: none"> -Decrease in sales volume of electric power Approx. Δ 3.0 -Increase in sales at JEPX Approx. +2.5 -Decrease in hydro power generated Approx.+2.5 -Others Approx.+3.0
Fossil fuel	61.0	56.2	4.8	
(Oil)	(21.0)	(15.6)	(5.3)	
(Coal)	(40.0)	(40.5)	(Δ 0.5)	
Nuclear Fuel	—	—	—	

(Reference)Key factors

Currency rate(yen/\$)	79	80	Δ 1
CIF oil prices[All Japan] (\$/b)	114	114	0
CIF coal prices ["] (\$/t)	133	141	Δ 8

[Purchased power expenses]

(Billion yen)

	FY12/2Q (A)	FY11/2Q (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Purchased Power expenses	23.8	27.1	Δ 3.2	Decrease in power purchased from wholesale utility's nuclear
Expenses to other electric utilities	0.9	0.6	0.2	
Expenses to public and wholesale utilities	22.9	26.4	Δ 3.5	

(Reference)Supplied volume

(Billion kWh)

From other electric utilities	0.09	0.07	0.02
From public and wholesale utilities	1.36	1.86	Δ 0.50

Main factor of increase and decrease related to Non-consolidated Finance Results(Expense)

[Depreciation expenses, Other expenses]

(Billion yen)

	FY10/2Q (A)	FY09/2Q (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Depreciation expenses	35.7	39.0	Δ 3.2	Progress in depreciation
Power source	21.3	24.3	Δ 2.9	
(Hydroelectric)	(3.5)	(3.7)	(Δ 0.2)	
(Thermal)	(5.4)	(6.8)	(Δ 1.3)	
(Nuclear)	(12.2)	(13.5)	(Δ 1.3)	
Distribution	13.0	13.4	Δ 0.4	
Others	1.4	1.2	0.1	
Other expenses	30.3	26.1	4.1	Increase in outsourcing expenses and waste disposal cost

Forecast by factors (Comparison with FY2011)

(Billion yen)

	Factors	FY11 Actual	Forecast of FY12(Compared with FY11)	
Revenues	Revenue from lighting, commercial and industrial	428.7	Decrease	Decrease in sales volume of electric power
	Revenue from sales to other utilities	48.0	Decrease	Decrease in revenue from sales at JEPX
Expenses	Personnel expenses	52.2	Decrease	Decrease in employees salary and allowances
	Fuel expenses	142.3	Same level	Increase in fossil fuel expenses due to the decrease in hydro power generated despite decrease in sales volume of electric power
	Maintenance expenses	61.9	Same level	
	Depreciation expenses	77.5	Decrease	Progress in depreciation
	Purchased power expenses	46.0	Same level	
	Interest expense	12.5	Same level	
	Taxes other than income taxes	31.8	Same level	
	Nuclear power back-end	1.9	Same level	
	Others	62.8	Increase	Increase in outsourcing expenses and waste disposal cost

(Reference) Business Management Strategy Target

<Sales targets [Non-consolidated]>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Number of Eco Cute units in use (Thousand) (Single year)	7.5	18.2 (10.7)	32.5 (14.3)	52.5 (20.0)	74.3 (21.9)	100.2 (25.8)	122.9 (22.8)	Approx. 148 (Approx 25)
Development of demand for heat pump type air conditioning system (Ten thousand kW)	4.8	11.3 (6.5)	18.5 (7.2)	25.9 (7.4)	32.6 (6.7)	40.4 (7.8)	49.2 (8.8)	Approx. 57 (Approx 8.0)

<Environmental targets [Non-consolidated]>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
CO ₂ emissions intensity (FY90 0.395kg-CO ₂ /kWh) (kg-CO ₂ /kWh)	0.407	0.457	0.632	0.483	0.309	0.224	0.546	Approx. 0.68

<Supply and reliability targets [Non-consolidated]>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Frequency and duration of outage per household (Number of times/year)	0.36	0.28	0.17	0.21	0.18	0.18	0.16	Approx. 0.26

(Reference) <Income and Financial Targets>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Consolidated ordinary income (Billion yen)	31.5	33.1	12.5	8.3	26.9	35.6	1.0	Approx. Δ 10.0
Consolidated ROA (%)	2.2	2.3	1.2	1.1	1.8	2.3	0.5	Approx. 0.0
Consolidated equity ratio (%)	23.6	24.4	23.7	24.2	25.4	25.7	24.5	Approx. 23
Amount of consolidated debt with interest (Billion yen)	987.1	946.8	979.5	942.7	874.0	798.5	818.6	Approx. 830.0

(Reference) Key Factor and Sensitivity

<Key Factor>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Electricity sales (Billion kWh)	27.97	28.20	29.30	28.15	27.18	29.54	28.90	Approx. 28.0
Currency rate (Yen/\$)	113.3	117.0	114.4	100.7	92.9	85.7	79.1	Approx. 80
CIF oil prices [All Japan] (\$/b)	55.8	63.5	78.7	90.5	69.4	84.2	114.2	Approx. 115
Flow rate (%)	95.9	102.9	90.5	88.5	95.2	99.4	103.7	Approx. 90
Nuclear utilization ratio (%)	88.7	38.3	—	59.6	63.2	81.4	—	—

<Sensitivity>

(Billion yen/year)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Currency rate (1yen/\$)	Approx. 0.4	Approx. 0.5	Approx. 0.9	Approx. 1.1	Approx. 0.6	Approx. 0.6	Approx. 1.6	Approx. 1.6
CIF oil prices [All Japan] (1\$/b)	Approx. 0.3	Approx. 0.3	Approx. 0.6	Approx. 0.4	Approx. 0.2	Approx. 0.2	Approx. 0.4	Approx. 0.5
Flow rate (1%)	Approx. 0.3	Approx. 0.3	Approx. 0.4	Approx. 0.6	Approx. 0.4	Approx. 0.4	Approx. 0.5	Approx. 0.5
Nuclear utilization ratio (1%)	Approx. 0.1	Approx. 0.2	Approx. 0.4	Approx. 0.6	Approx. 0.3	Approx. 0.3	Approx. 0.5	Approx. 0.5

(Reference) Date related to financial results

<Profit and loss>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Operating revenue	[Consolidated]	480.8	485.6	477.9	524.6	471.4	494.1	495.1	Approx. 485.0
	[Non-consolidated]	467.2	473.4	466.0	512.9	460.2	482.7	483.3	Approx. 475.0
Operating income	[Consolidated]	55.1	55.3	27.6	26.1	40.9	49.9	11.6	Approx. 0.0
	[Non-consolidated]	52.2	50.4	24.3	22.5	37.7	46.6	7.9	Approx. Δ 3.0
Ordinary income	[Consolidated]	31.5	33.1	12.5	8.3	26.9	35.6	1.0	Approx. Δ 10.0
	[Non-consolidated]	29.1	30.1	9.3	8.5	23.9	31.4	Δ 2.2	Approx. Δ 13.0
Net income	[Consolidated]	19.9	17.2	7.3	7.4	16.9	19.0	Δ 5.2	Approx. Δ 7.0
	[Non-consolidated]	18.5	15.7	5.1	6.9	15.1	16.6	Δ 6.6	Approx. Δ 9.0

<Balance sheet>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Total assets	[Consolidated]	1,578.7	1,516.3	1,516.7	1,453.9	1,411.8	1,381.1	1,385.9	—
	[Non-consolidated]	1,535.3	1,478.8	1,481.1	1,421.4	1,382.6	1,351.7	1,358.1	—
Net assets	[Consolidated]	373.0	369.9	359.9	351.1	358.2	354.6	339.5	—
	[Non-consolidated]	362.9	358.2	346.2	336.9	342.1	336.2	319.7	—

<Capital investment>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Capital Investment	[Consolidated]	77.2	39.4	45.2	61.7	50.2	83.3	57.7	Approx. 82.0
	[Non-consolidated]	74.1	36.5	41.7	57.6	44.3	78.5	54.7	Approx. 79.0

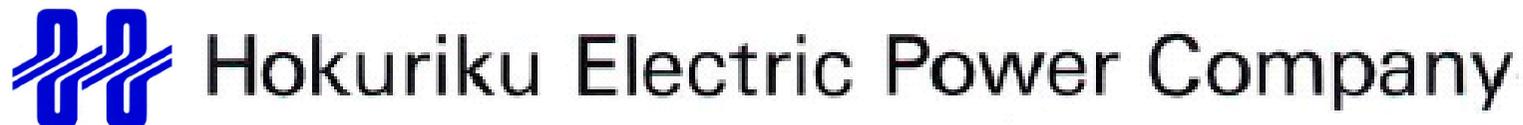
Contact Information for Inquiries

Finance Team Finance & Accounting Dept Hokuriku Electric Power Company

15-1 Ushijima-Cho, Toyama, 930-8686, Japan

TEL : +81-76-405-3337, 3341 (Direct)

FAX : +81-76-405-0127



Internet address <http://www.rikuden.co.jp/>

E-mail address pub-mast@rikuden.co.jp