

FY2013 2nd Quarter Financial Results (April 1–September 30,2013) Supplemental Material

Oct 30, 2013(Wed)



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

➤ 13.44 billion kWh

(0.18 billion kWh decrease compared with the previous year)

■ Lighting and Commercial : Decrease in demand for air-conditioner due to cool summer

■ Industrial and other : Decrease mainly in Large Industrial

(Billion kWh,%)

		FY13/2Q (A)	FY12/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Regulated	Lighting	3.63	3.72	Δ 0.09	97.6
	Low-voltage	0.61	0.65	Δ 0.04	93.8
	Subtotal	4.24	4.37	Δ 0.13	97.1
Liberarized	Commercial	2.60	2.62	Δ 0.01	99.5
	Industrial and other	6.60	6.64	Δ 0.04	99.4
	Subtotal	9.20	9.25	Δ 0.05	99.4
Total		13.44	13.62	Δ 0.18	98.7
Large Industrial		5.28	5.32	Δ 0.04	99.2
Residential		6.32	6.42	Δ 0.11	98.3
Other than residential		7.13	7.20	Δ 0.07	99.0

※ Residential=lighting, commercial power and night only service

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

(Billion kWh,%)

		FY13/2Q (A)	FY12/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Total of large-scale user		5.28	5.32	Δ 0.04	99.2
Main industry	Textile	0.52	0.51	0.00	101.0
	Paper and pulp	0.15	0.15	0.00	103.0
	Chemical	0.65	0.64	0.00	100.5
	Steel	0.38	0.40	Δ 0.02	95.3
	Machinery	1.63	1.66	Δ 0.02	98.6
	(Electrical Machinery in Machinery sector)	(1.13)	(1.15)	(Δ 0.02)	(98.0)
	Fabricated metal	0.36	0.37	Δ 0.01	97.8

(Reference) Average monthly temperature(3 Hokuriku cities)

(°C)

	April	May	June	July	August	September
Actual data	11.4	17.4	22.7	27.0	28.0	22.8
Comparison with the previous year	Δ 1.2	+0.4	+1.3	+0.3	Δ 0.8	Δ 2.2
Comparison with the average year	Δ 1.1	+0.1	+1.5	+1.7	+1.1	+0.2

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

Total Power Generated, Purchased and Sold

- Decrease in thermal power generation , due to decrease in electricity sales volume and increase in water flow

(Billion kWh,%)

	FY13/2Q (A)	FY12/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow ratio]	[106.3]	[90.6]	[15.7]	
Hydroelectric	4.03	3.58	0.45	112.5
Thermal	10.08	10.87	△ 0.79	92.7
Nuclear	—	—	—	—
Renewable	0.00	0.00	0.00	142.3
Subtotal	14.11	14.46	△ 0.34	97.6
Purchased from other utilities	1.21	1.12	0.09	107.8
Sold to other utilities	△ 0.59	△ 0.68	0.09	87.0
Total	14.72	14.88	△ 0.16	98.9

Overview of FY2013/2Q Financial Results

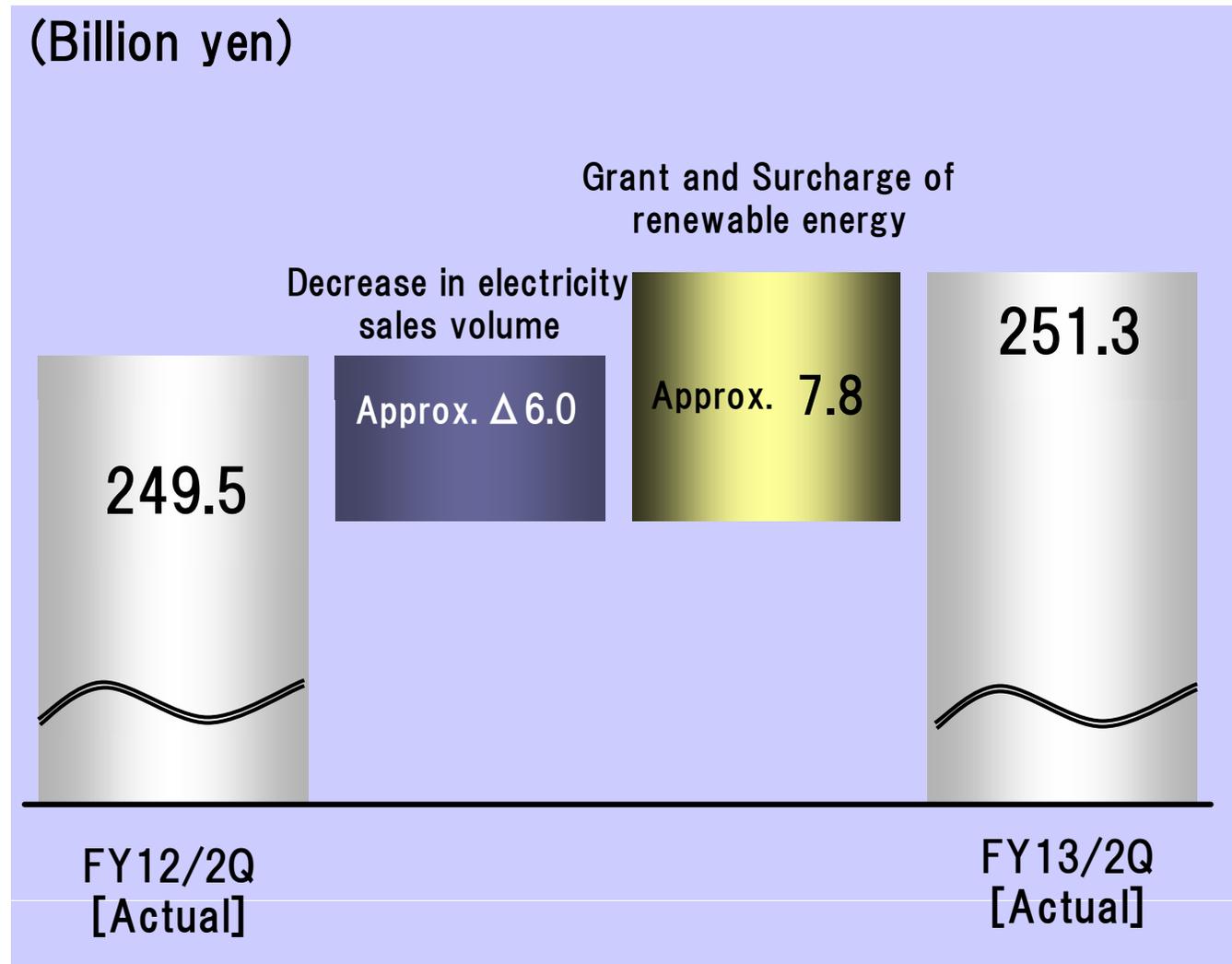
- Consolidated operating revenue : 1.8 billion yen increase
Due to the increase in renewable energy power promotion surcharge in spite of decrease in electricity sales volume
- Consolidated ordinary income : 1.4 billion yen decrease
Due to the increase in oil fuel expense with the cause of increase in coal-fired units which carried out periodic inspection from previous year

(Billion yen,%)

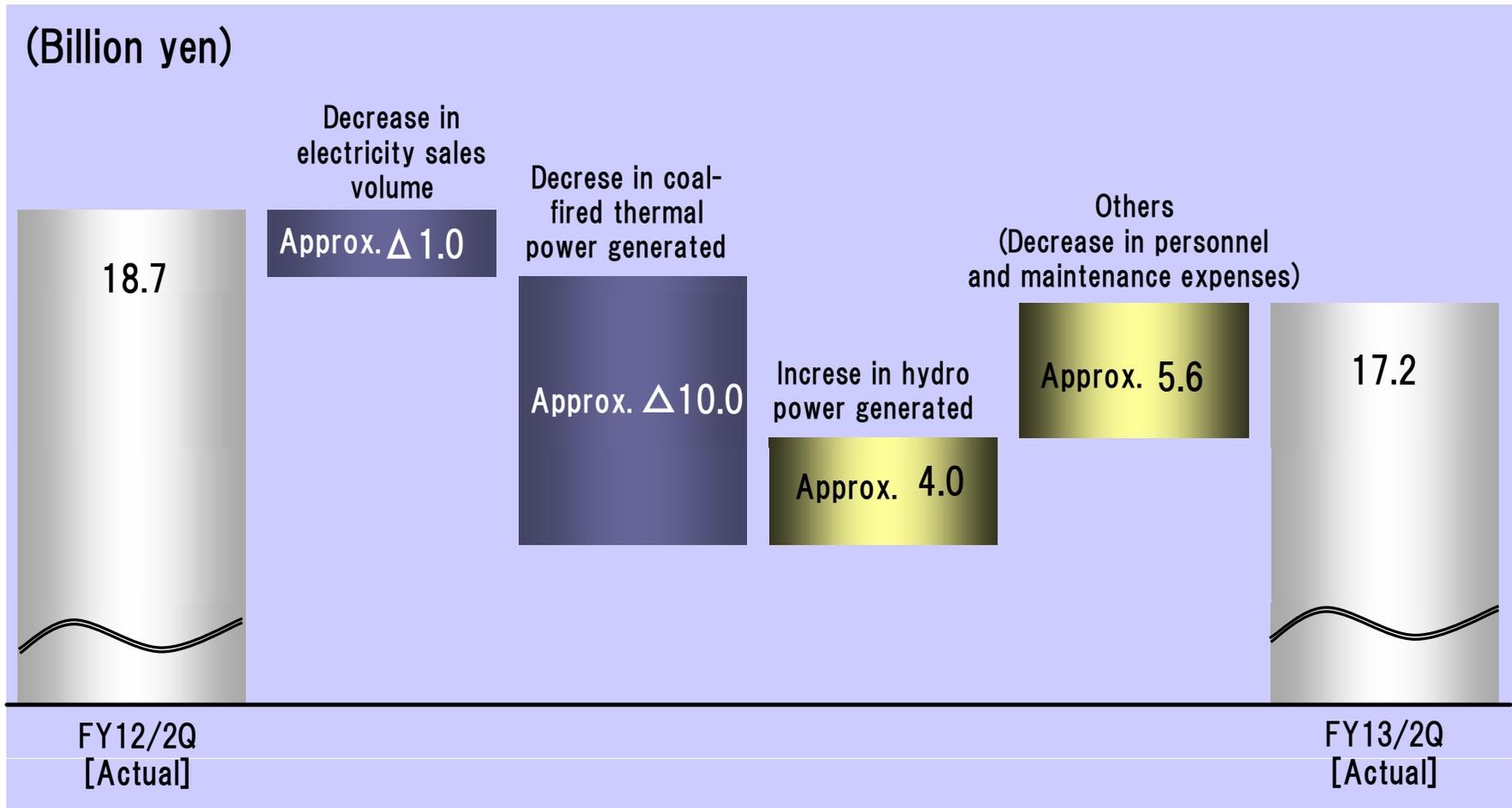
		FY13/2Q (A)	FY12/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	251.3	249.5	1.8	100.7
	Operating income	22.4	23.6	Δ 1.2	94.9
	Ordinary income	17.2	18.7	Δ 1.4	92.1
	Net income	8.7	12.1	Δ 3.4	71.7
Non-consolidated	Operating revenue	244.9	243.1	1.7	100.7
	Operating income	20.5	22.3	Δ 1.8	91.8
	Ordinary income	15.6	17.6	Δ 1.9	89.1
	Net income	7.9	11.5	Δ 3.6	68.2

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

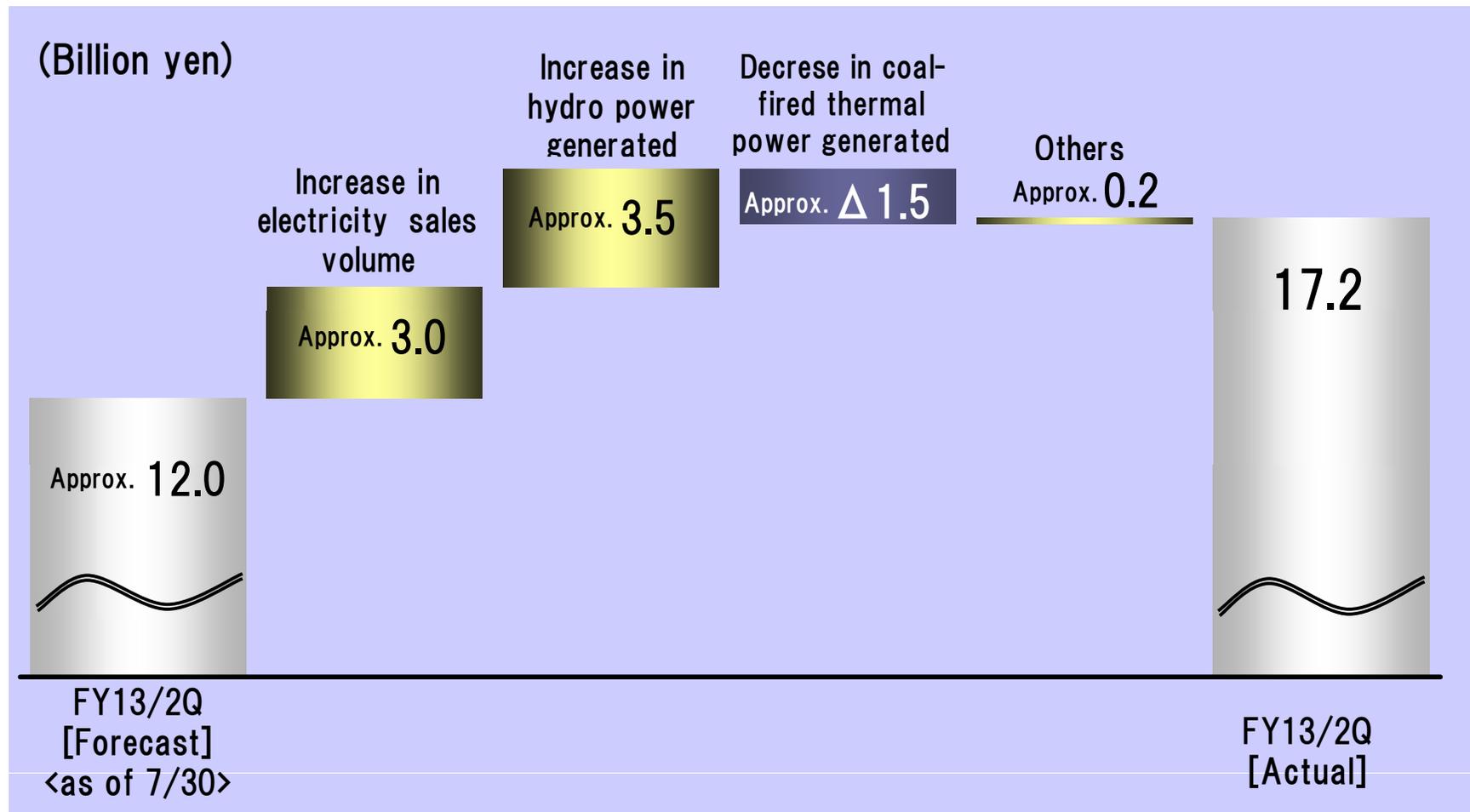
Changing factor of Consolidated Ordinary Revenue (Comparison with FY2012/2Q)



Changing factor of Consolidated Ordinary Income (Comparison with FY2012/2Q)



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



FY2013 Forecast (Key Factor)

【Total sales of electric power】

➤ 27.7 billion kWh

0.3 billion kWh increase compared with the forecast as of 7/30 be based on our results for the six months ended September 30, 2013

	FY2013		(Billion kWh)	(Reference)
	As of 10/30(A)	As of 7/30(B)	Comparison (A)-(B)	FY2012 Actual
Total sales of electric power	Approx. 27.7 (Approx. 99%)	Approx. 27.4 (Approx. 98%)	0.3	28.08 (97.2%)

※ Figures in parentheses denote percentage from previous year

【Key factor】

	FY2013				(Reference)
	1 - 2Q Actual	3 - 4Q Forecast	Forecast as of 10/30	Forecast as of 7/30	FY2012 Actual
Currency Rate	98.8	Approx. 100	Approx. 99	Approx. 100	82.9
C I F oil prices (All Japan)	107.7	Approx. 110	Approx. 110	Approx. 110	113.9
Flow rate	106.3	Approx. 100	Approx. 103	Approx. 98	93.2

FY2013 Revenue and Income Forecast

- 502 billion yen consolidated operating revenue and 490 billion yen non-consolidated operating revenue
- Reasonable forecast of income cannot be made at this point because of uncertain of supply capacity and expense for nuclear power plant
- Year-end dividend cannot be made at this point

		(Billion yen)			(Reference)	
		FY2013 Forecast		Comparison	FY12 Actual performance(C)	Comparison
		As of 10/30	As of 7/30	(A)-(B)		(A)-(C)
Consolidated	Operating revenues	Approx. 502.0 (Approx.102%)	Approx. 497.0 (Approx. 101%)	Approx. 5.0	492.4 (99.5%)	Approx. 9.6
	Operating income	Uncertain	Uncertain	—	11.7 (100.8%)	—
	Ordinary income	Uncertain	Uncertain	—	1.7 (165.2%)	—
	Net income	Uncertain	Uncertain	—	0.0	—
Non-Consolidated	Operating revenues	490.0 (Approx.102%)	Approx. 485.0 (Approx.101%)	Approx. 5.0	479.5 (99.2%)	Approx. 10.5
	Operating income	Uncertain	Uncertain	—	8.0 (100.5%)	—
	Ordinary income	Uncertain	Uncertain	—	Δ 2.1	—
	Net income	Uncertain	Uncertain	—	Δ 2.3	—

*Figures in parentheses denote percentage from the previous year.

Year-end dividends	—
--------------------	---

Consolidated Balance Sheet(Summary)

(Billion yen)

	End of FY13/2Q (A)	End of FY12 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,179.2	1,183.6	Δ 4.4	
Electricity business	887.8	894.7	Δ 6.8	<ul style="list-style-type: none"> ▪ Construction completed 30.3 ▪ Depreciation Δ 33.6
Others	291.3	288.9	2.3	
Current assets	267.8	212.3	55.5	▪ Cash and stores 50.0
Total assets	1,447.0	1,395.9	51.1	
Debt with interest	884.8	827.8	56.9	<ul style="list-style-type: none"> ▪ Straight bond 30.0 ▪ Long-term debt loan 26.4
Other debt	213.4	227.1	Δ 13.7	▪ Account payable Δ 4.5 , Accrued amount payable Δ 2.6
Revenue for fluctuation in water level	13.6	9.8	3.7	▪ Flow rate : 106.3%
Total liabilities	1,111.8	1,064.9	46.9	
Total net assets	335.2	331.0	4.1	▪ Surplus of profit 2.6
[Equity ratio]	[23.2%]	[23.7%]	[Δ 0.5%]	
Total of liabilities and net assets	1,447.0	1,395.9	51.1	

Consolidated Statement of Cash Flows

(Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)
I .Operating activities①	33.3	51.5	△ 18.2
Income before income taxes and minority interests	13.5	18.8	△ 5.3
Depreciation and amortization	35.4	37.7	△ 2.2
Others	△ 15.6	△ 5.0	△ 10.6
II .Investing activities②	△ 35.6	△ 34.0	△ 1.6
Capital expenditure	△ 36.2	△ 34.1	△ 2.1
Long-term investment and others	0.6	0.1	0.5
III.Financing activities	51.7	0.4	51.2
Loan,bond,etc	56.9	5.6	51.3
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)	49.4	17.9	31.4
○ Free cash flow(①+②+③)	△ 7.5	12.3	△ 19.8
(reference : non-consolidated free cash flow)	(△ 9.2)	(10.3)	(△ 19.5)

Non-Consolidated Statement of Income

(Billion yen,%)

		FY13/2Q (A)	FY12/2Q (B)	Comparison		(Note) Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Lighting,commercial and industrial	211.1	210.3	0.7	100.4	
	(Renewable energy power promotion surcharge)	(3.9)	(0.9)	(2.9)	(413.5)	
	Sales to other utilities	25.6	29.1	△ 3.5	87.9	Decrease in sales to other utilities
	Others	10.0	5.2	4.8	190.4	Increase in grant under act on purchase of renewable energy sourced electricity
	(Grant based on the act on purchase of renewableenergy sourced electricity)	(4.6)	(0.3)	(4.2)	(1,212.7)	
	(Operating revenues)	(244.9)	(243.1)	(1.7)	(100.7)	
	Total	246.8	244.7	2.1	100.9	
Ordinary expenses	Personnel expenses	23.3	26.3	△ 2.9	88.8	Decrease in employees retirement benefits
	Fuel expenses	62.7	61.0	1.7	102.8	Increase in oil-fired thermal power generated
	Maintenance expenses	24.6	27.6	△ 3.0	89.1	
	Depreciation expenses	33.6	35.7	△ 2.1	94.1	Progress in depreciation
	Purchased power expenses	28.9	23.8	5.1	121.5	Increase in power purchased from public and wholesale utilities
	Interest paid	6.3	6.0	0.3	105.0	
	Taxes other than income taxes	15.4	15.3	0.1	100.8	
	Other expenses	35.9	31.1	4.8	115.5	Increase in levy based on the act on purchase of renewable energy sourced electricity
	(Levy based on the act on purchase of renewable energy sourced electricity)	(3.9)	(0.9)	(2.9)	(413.5)	
Total	231.1	227.1	4.0	101.8		
Operating income		20.5	22.3	△ 1.8	91.8	
Ordinary income		15.6	17.6	△ 1.9	89.1	
Net income		7.9	11.5	△ 3.6	68.2	

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

[Lighting,commercial and industrial]

(Billion kWh,Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Total Sales of electric power	13.44	13.62	Δ 0.18	
Revenue from lighting, commercial and industrial	211.1	210.3	0.7	<ul style="list-style-type: none"> Decrease in electricity sales volume Approx. Δ 2.6 Increase in renewable energy power promotion surcharge Approx. +3.4
(Lighting)	72.5	73.6	Δ 1.0	
(Commercial and industrial)	138.6	136.7	1.8	

[Sales to other utilities]

(Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Revenue from sales to other utilities	25.6	29.1	Δ 3.5	
Revenue from sales to other electric utilities	19.2	25.7	Δ 6.4	<ul style="list-style-type: none"> Decrease in sales to other utilities
Revenue from sales to other utilities	6.3	3.4	2.9	

(Reference)supply volume

(Billion kWh)

To other electric utilities	0.74	0.77	Δ 0.03
To other utilities	0.44	0.24	0.20

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

[Personnel expenses]

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Personnel expenses	23.3	26.3	Δ 2.9	
Salary, etc	22.5	23.1	Δ 0.5	-Decrease in employees allowances
Retirement benefit	0.8	3.1	Δ 2.3	-Increase in pension assets of FY2012

[Reference]

(People)

	FY13	FY12	Comparison	
Numbr of employee at the end of FY	4,924	4,890	34	

[Fuel expenses]

(Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Fuel Expenses	62.7	61.0	1.7	
Fossil fuel	62.7	61.0	1.7	<ul style="list-style-type: none"> -Decrease in coal- fired thermal power generated Approx. +10.0 -Increase in hydro power generated Approx. +4.0 -Decrease in electricity sales volume Approx. Δ 5.0 -Others (fluctuation of fuel price) Approx.+1.0
(Oil)	(26.1)	(21.0)	(5.1)	
(Coal)	(36.5)	(40.0)	(Δ 3.4)	
Nuclear Fuel	—	—	—	

(Reference)Key factors

Currency rate(yen/\$)	99	79	19
CIF oil prices[All Japan] (\$/b)	108	114	Δ 6
CIF coal prices ["] (\$/t)	110	133	Δ 23

Main factor of increase and decrease related to Non-consolidated Finance Results(Expense) [Purchased power expenses]

(Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Purchased Power expenses	28.9	23.8	5.1	Increase in the expense of purchase renewable energy
Expenses to other electric utilities	1.6	0.9	0.7	
Expenses to public and wholesale utilities	27.2	22.9	4.3	

(Reference) Supplied volume

(Billion kWh)

From other electric utilities	0.15	0.09	0.06	
From public and wholesale utilities	1.65	1.36	0.29	

[Maintenance expenses, Other expenses]

(Billion yen)

	FY13/2Q (A)	FY12/2Q (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Repair expenses	24.6	27.6	Δ 3.0	
Power source	14.6	14.5	0.0	
(Thermal)	(12.3)	(11.1)	(1.2)	
(Nuclear)	(0.8)	(1.6)	(Δ 0.8)	
Distribution	9.5	12.7	Δ 3.1	Decrease in the maintenance expenses of distribution
Others	0.3	0.3	0.0	
Other expenses	35.9	31.1	4.8	Increase in levy under act on purchase of renewable energy sourced electricity

(Reference) Key Factor and Sensitivity

<Key Factor>

	FY08	FY09	FY10	FY11	FY12	FY13
Electricity sales (Billion kWh)	28.15	27.18	29.54	28.90	28.08	Approx. 27.7
Currency rate (Yen/\$)	100.7	92.9	85.7	79.1	82.9	Approx. 99
CIF oil prices [All Japan] (\$/b)	90.5	69.4	84.2	114.2	113.9	Approx. 110
Flow rate (%)	88.5	95.2	99.4	103.7	93.2	Approx. 103
Nuclear utilization ratio (%)	59.6	63.2	81.4	—	—	Uncertain

<Sensitivity>

	FY08	FY09	FY10	FY11	FY12	FY13
Currency rate (1yen/\$)	Approx. 1.1	Approx. 0.6	Approx. 0.6	Approx. 1.6	Approx. 1.5	Uncertain
CIF oil prices [All Japan] (1\$/b)	Approx. 0.4	Approx. 0.2	Approx. 0.2	Approx. 0.4	Approx. 0.5	Uncertain
Flow rate (1%)	Approx. 0.6	Approx. 0.4	Approx. 0.4	Approx. 0.5	Approx. 0.5	Uncertain
Nuclear utilization ratio (1%)	Approx. 0.6	Approx. 0.3	Approx. 0.3	Approx. 0.5	Approx. 0.5	Uncertain

(Billion yen/year)

(Reference) Date related to financial results

<Profit and loss>

(Billion yen)

		FY08	FY09	FY10	FY11	FY12	FY13
Operating revenue	[Consolidated]	524.6	471.4	494.1	495.1	492.4	Approx. 502.0
	[Non-consolidated]	512.9	460.2	482.7	483.3	479.5	Approx. 490.0
Operating income	[Consolidated]	26.1	40.9	49.9	11.6	11.7	Uncertain
	[Non-consolidated]	22.5	37.7	46.6	7.9	8.0	Uncertain
Ordinary income	[Consolidated]	8.3	26.9	35.6	1.0	1.7	Uncertain
	[Non-consolidated]	8.5	23.9	31.4	Δ 2.2	Δ 2.1	Uncertain
Net income	[Consolidated]	7.4	16.9	19.0	Δ 5.2	0.0	Uncertain
	[Non-consolidated]	6.9	15.1	16.6	Δ 6.6	Δ 2.3	Uncertain

<Balance sheet>

(Billion yen)

		FY08	FY09	FY10	FY11	FY12	FY13
Total assets	[Consolidated]	1,453.9	1,411.8	1,381.1	1,385.9	1,395.9	Uncertain
	[Non-consolidated]	1,421.4	1,382.6	1,351.7	1,358.1	1,366.1	Uncertain
Net assets	[Consolidated]	351.1	358.2	354.6	339.5	331.0	Uncertain
	[Non-consolidated]	336.9	342.1	336.2	319.7	308.8	Uncertain

<Capital investment>

(Billion yen)

		FY08	FY09	FY10	FY11	FY12	FY13
Capital Investment	[Consolidated]	61.7	50.2	83.3	57.7	67.0	Uncertain
	[Non-consolidated]	57.6	44.3	78.5	54.7	63.8	Uncertain

Contact Information for Inquiries

Finance Team Finance & Accounting Dept Hokuriku Electric Power Company

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

TEL : +81-76-405-3339, 3342 (Direct)

FAX : +81-76-405-0127



Hokuriku Electric Power Company

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

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