

FY2012 Financial Results

Supplementary Material

April 30, 2013(Tue)



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

➤ 28.08 billion kWh

(0.82 billion kWh decrease compared with the previous year)

■ Lighting and Commercial : In spite of hard summer and severe winter, same as the previous year due to energy conservation

■ Industrial and other : Decrease mainly in machinery sector

(Billion kWh,%)

		FY12 (A)	FY11 (B)	Comparison	
				(A)-(B)	(A)/(B)
Regulated	Lighting	8.54	8.52	0.02	100.2
	Low-voltage	1.35	1.40	Δ 0.05	96.2
	Subtotal	9.89	9.92	Δ 0.04	99.6
Liberarized	Commercial	5.18	5.19	Δ 0.00	100
	Industrial and other	13.00	13.79	Δ 0.79	94.3
	Subtotal	18.19	18.97	Δ 0.79	95.9
Total		28.08	28.90	Δ 0.82	97.2
Large Industrial		10.41	11.10	Δ 0.68	93.8
Residential		13.93	13.93	Δ 0.00	100.0
Other than residential		14.15	14.97	Δ 0.82	94.5

※ Residential=lighting, commercial power and night only service

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

(Billion kWh,%)

	FY12 (A)	FY11 (B)	Comparison		
			(A)-(B)	(A)/(B)	
Total of large-scale user	10.41	11.10	Δ 0.68	93.8	
Main industry	Textile	0.99	1.08	Δ 0.09	91.7
	Paper and pulp	0.29	0.35	Δ 0.05	84.3
	Chemical	1.28	1.30	Δ 0.02	98.4
	Steel	0.78	0.87	Δ 0.09	90.0
	Machinery	3.15	3.51	Δ 0.36	89.7
	(Electrical Machinery in Machinery sector)	(2.16)	(2.48)	(Δ 0.33)	(86.9)
	Fabricated metal	0.73	0.75	Δ 0.02	97.2

(Reference) Average monthly temperature(3 Hokuriku cities)

[Average monthly temperature in Hokuriku 3 cities]

(°C)

	April	May	June	July	August	September	October	November	December	January	February	March
Actual data	12.6	17.0	21.4	26.7	28.8	25.0	17.7	10.2	4.1	2.5	2.7	8.3
Comparison with the previous year	+1.3	Δ 0.4	Δ 1.4	Δ 0.4	+1.5	+1.3	+0.6	Δ 2.7	Δ 0.8	+0.1	+0.8	+1.7
Comparison with the average year	+0.1	Δ 0.3	+0.2	+1.4	+1.9	+2.4	+1.0	Δ 0.9	Δ 2.0	Δ 0.7	Δ 0.7	+1.6

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

Total Power Generated, Purchased and Sold

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

(Billion kWh,%)

	FY12 (A)	FY11 (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow ratio]	[93.2]	[103.7]	[Δ 10.5]	
Hydroelectric	5.90	6.44	Δ 0.54	91.6
Thermal	23.73	23.70	0.02	100.1
Nuclear	—	—	—	—
Renewable	0.01	0.01	0.00	110.5
Subtotal	29.63	30.15	Δ 0.52	98.3
Purchased from other utilities	2.21	2.76	Δ 0.55	80.1
Sold to other utilities	Δ 0.83	Δ 1.01	0.18	82.5
Total	30.99	31.88	Δ 0.89	97.2

Overview of FY2012 Financial Results

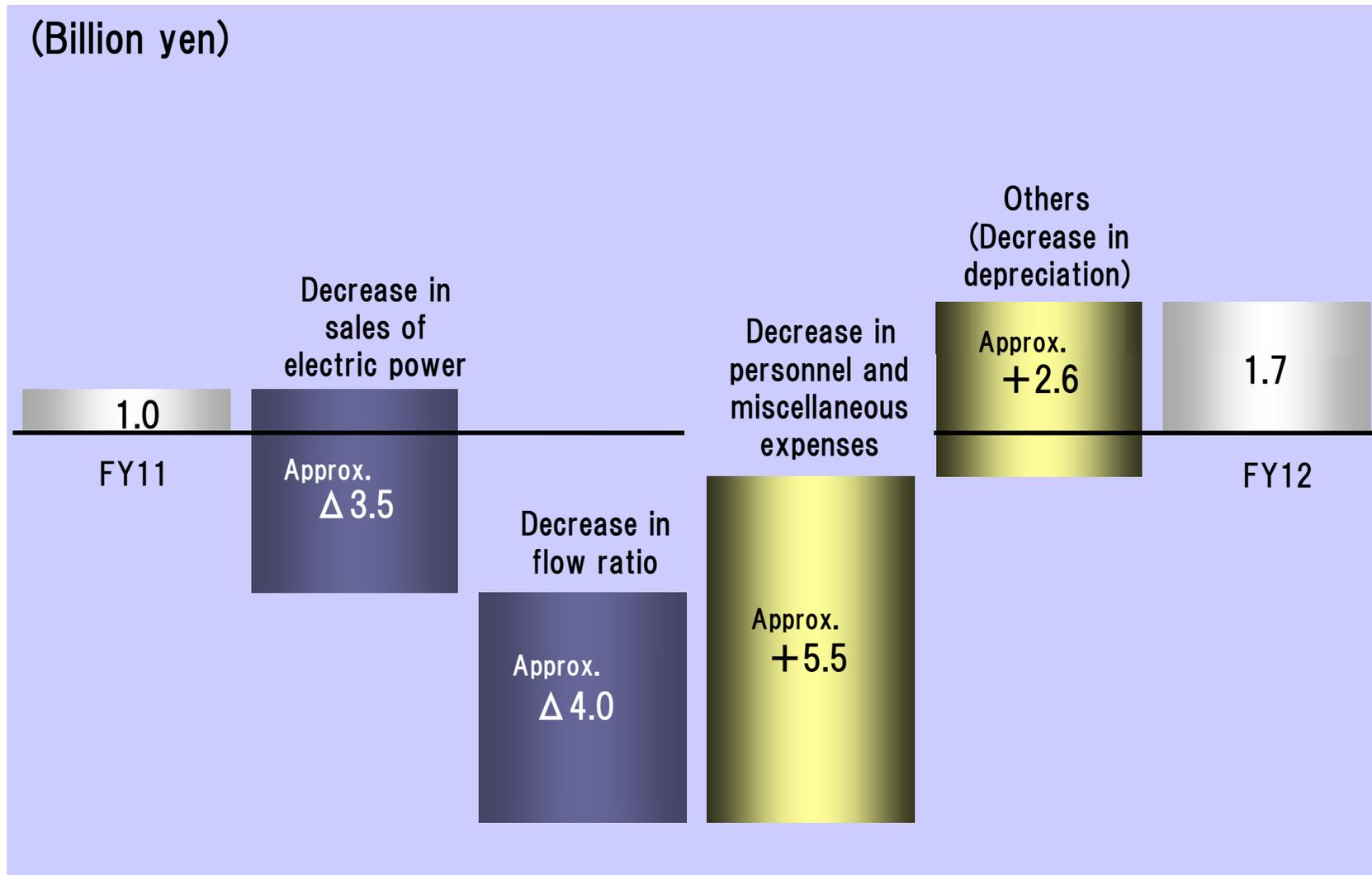
- Consolidated operating revenue : 2.6 billion yen decrease
 - Due to the decrease in sales volume of electric power
- Consolidated ordinary income : 0.6 billion yen increase
 - Due to the improvement of the efficiency in expenditure

(Billion yen,%)

		FY12 (A)	FY11 (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	492.4	495.1	Δ 2.6	99.5
	Operating income	11.7	11.6	0.0	100.8
	Ordinary income	1.7	1.0	0.6	165.2
	Extraordinary income	—	6.0	Δ 6.0	—
	Net income	0.0	Δ 5.2	5.3	—
Non-consolidated	Operating revenue	479.5	483.3	Δ 3.8	99.2
	Operating income	8.0	7.9	0.0	100.5
	Ordinary income	Δ 2.1	Δ 2.2	0.0	—
	Extraordinary income	—	6.0	Δ 6.0	—
	Net income	Δ 2.3	Δ 6.6	4.3	—

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

Changing factor of Consolidated Ordinary Income (Comparison with FY2011)



Non-Consolidated Statement of Income

(Billion yen,%)

		FY12 (A)	FY11 (B)	Comparison		(Note) Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Lighting, commercial and industrial	427.3	428.7	Δ 1.4	99.7	Decrease in sales of electric power
	Sales to other utilities	43.3	48.0	Δ 4.7	90.1	Decrease in revenue from sales to other utilities
	Others	11.6	10.1	1.4	114.0	Increase in grant under act on purchase of renewable energy sourced electricity
	(Operating revenues)	(479.5)	(483.3)	(Δ 3.8)	(99.2)	
	Total	482.2	486.9	Δ 4.7	99.0	
Ordinary expenses	Personnel expenses	49.6	52.2	Δ 2.5	95.1	Decrease in employees salary and allowances
	Fuel expenses	138.4	142.3	Δ 3.9	97.2	Decrease in fossil fuel prices
	Maintenance expenses	59.2	61.9	Δ 2.6	95.7	
	Depreciation expenses	70.9	77.5	Δ 6.5	91.5	Progress in depreciation
	Purchased power expenses	47.8	46.0	1.8	104.0	Increase in power purchased from renewable energy source
	Interest paid	12.1	12.5	Δ 0.3	96.9	Decrease in interest rates
	Taxes other than income taxes	31.2	31.8	Δ 0.5	98.1	Decrease in fixed property tax
	Other expenses	74.8	64.8	10.0	115.5	Increase in outsourcing expenses and levy under act on purchase of renewable energy sourced electricity
	Total	484.4	489.2	Δ 4.8	99.0	
Operating income		8.0	7.9	0.0	100.5	
Ordinary income		Δ 2.1	Δ 2.2	0.0	—	
Provision (reversal) of reserve for fluctuation in water levels		Δ 0.7	3.6	Δ 4.3	—	
Extraordinary income		—	6.0	Δ 6.0	—	FY 2011 •• settlement package as result of request for damage
Income taxes		0.8	6.7	Δ 5.8	12.6	
Net income		Δ 2.3	Δ 6.6	4.3	—	FY2011 •• Reversal of deferred tax asset associated with decrease in corporate tax rate

Consolidated Balance Sheet (Summary)

(Billion yen)

	End of FY12 (A)	End of FY11 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,183.6	1,196.2	Δ 12.5	
Electricity business	894.7	915.5	Δ 20.8	<ul style="list-style-type: none"> ▪Completion of construction 53.3 ▪Depreciation Δ 70.9
Others	288.9	280.6	8.2	
Current assets	212.3	189.6	22.6	▪Cash and Stores 23.3
Total assets	1,395.9	1,385.9	10.0	
Debt with interest	827.8	818.6	9.2	<ul style="list-style-type: none"> ▪Straight bond 50.0(Issue 500, Redemption Δ 450) ▪Long-term debt loan 20.0 ▪CP Δ 15.0
Other debt	227.1	217.1	9.9	
Reserve for fluctuation in water levels	9.8	10.6	Δ 0.7	
Total liabilities	1,064.9	1,046.4	18.5	
Total net assets	331.0	339.5	Δ 8.4	
[Equity ratio]	[23.7%]	[24.5%]	[Δ 0.8%]	
Total of liabilities and net assets	1,395.9	1,385.9	10.0	

Consolidated Statement of Cash Flows (Summary)

(Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)
I .Operating activities①	86.5	68.0	18.4
Income before income taxes and minority interests	2.4	3.3	Δ 0.9
Depreciation and amortization	74.9	81.9	Δ 7.0
Others	9.1	Δ 17.2	26.4
II .Investing activities②	Δ 61.7	Δ 58.8	Δ 2.9
Capital expenditure	Δ 62.2	Δ 57.2	Δ 4.9
Long-term investment and others	0.4	Δ 1.5	2.0
III.Financing activities	Δ 1.1	9.5	Δ 10.7
Loan,bond,etc	9.2	20.0	Δ 10.7
Purchases and sales of own stock	Δ 0.0	Δ 0.0	0.0
Cash dividends paid③	Δ 10.4	Δ 10.4	Δ 0.0
IV.Net increase in cash and cash equivalents(I + II + III)	23.5	18.7	4.8
○ Free cash flow(① + ② + ③)	14.3	Δ 1.2	15.5
(reference : non-consolidated free cash flow)	(11.4)	(Δ 1.6)	(13.0)

FY2013 Forecast (Key Factor)

【Total sales of electric power】

➤ 27.4 billion kWh

(0.7 billion kWh decrease compared with the FY2012 actual)

Due to the reactionary fall in demand for air-conditioners

(Billion kWh)

	FY2013 Forecast (A)	FY2012 (B)	Comparison	
			(A)-(B)	(A)/(B)
Residential	Approx. 13.5	13.93	Approx. Δ 0.5	Approx. 97%
Other than residential	Approx. 13.9	14.15	Approx. Δ 0.2	Approx. 98%
Total sales of electric power	Approx. 27.4	28.08	Approx. Δ 0.7	Approx. 98%

【Key factor】

	(yen/ \$, \$ /b,%)	(Reference)
	FY13 Forecast	FY12 Actual
Currency Rate	Approx. 95	82.9
C I F oil prices (All Japan)	Approx. 115	113.9
Flow rate	Approx. 100	93.2

FY2013 Revenue and Income Forecast

- 497 billion yen consolidated operating revenue and 485 billion yen non-consolidated operating revenue due to renewable energy power promotion surcharge
- Reasonable forecasts of operating income , Ordinary income and Net income can not be made because we can hardly have the operating season of our nuclear power plant

(Billion yen)

		FY13 Forecast (A)	FY12 (B)	Comparison (A)-(B)
Consolidated	Operating revenues	Approx. 497.0 (Approx.101%)	492.4 (100.2%)	Approx. 4.6
	Operating income	Uncertain	11.7 (23.3%)	—
	Ordinary income	Uncertain	1.7 (2.9%)	—
	Net income	Uncertain	0.0 (—)	—

Non-Consolidated	Operating revenues	Approx. 485.0 (Approx.101%)	479.5 (99.2%)	Approx. 5.5
	Operating income	Uncertain	8.0 (100.5%)	—
	Ordinary income	Uncertain	Δ 2.1 (—)	—
	Net income	Uncertain	Δ 2.3 (—)	—

*Figures in parentheses denote percentage from the previous year.

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

[Lighting,commercial and industrial]

(Billion kWh,Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Total Sales of electric power	28.08	28.90	Δ 0.82	
Revenue from lighting, commercial and industrial	427.3	428.7	Δ 1.4	<ul style="list-style-type: none"> Decrease in total sales of electric power Δ 8.5 Increase in renewable energy power promotion surcharge +7.1
(Lighting)	160.8	159.3	1.4	
(Commercial and industrial)	266.4	269.3	Δ 2.9	

[Sales to other utilities]

(Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Revenue from sales to other utilities	43.3	48.0	Δ 4.7	
Revenue from sales to other electric utilities	38.0	43.6	Δ 5.6	<ul style="list-style-type: none"> Decrease in total sales to other electric utilities
Revenue from sales to other utilities	5.2	4.3	0.8	

(Reference)supply volume

(Billion kWh)

To other electric utilities	1.01	1.12	Δ 0.11
To other utilities	0.36	0.28	0.08

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

[Personnel expenses]

(Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Personnel expenses	49.6	52.2	Δ 2.5	
Salary, etc	35.6	37.2	Δ 1.6	-Decrease in employees allowances
Retirement benefit	14.0	14.9	Δ 0.8	

[Reference]

(People)

Numebr of employee at the end of FY	4,861	4,813	48	
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[Fuel expenses]

(Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Fuel Expenses	138.4	142.3	Δ 3.9	-Decrease in sales of electric power Approx. Δ 5.0 -Decrease in flow ratio Approx.+4.0 -Decrease in fossil fuel prices Approx.Δ 3.0
Fossil fuel	138.4	142.3	Δ 3.9	
(Oil)	(57.3)	(54.7)	(2.6)	
(Coal)	(81.0)	(87.6)	(Δ 6.5)	

(Reference)Key factors

Currency rate(yen/\$)	82.9	79.1	3.8
CIF oil prices[All Japan] (\$/b)	113.9	114.2	Δ 0.3
CIF coal prices ["] (\$/t)	127.1	143.8	Δ 16.7

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

[Depreciation expenses, Other expenses]

(Billion yen)

	FY12 (A)	FY11 (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Depreciation expenses	70.9	77.5	Δ 6.5	Progress in depreciation
Power source	42.0	47.8	Δ 5.8	
(Hydroelectric)	(7.0)	(7.5)	(Δ 0.5)	
(Thermal)	(10.9)	(13.6)	(Δ 2.7)	
(Nuclear)	(23.8)	(26.4)	(Δ 2.5)	
Distribution	25.9	27.1	Δ 1.1	
Others	2.9	2.5	0.4	
Other expenses	74.8	64.8	10.0	
(outsourcing)	(19.9)	(14.7)	(5.1)	Increase in cost of assesment of nuclear
(levy under act on purchase of renewable energy sourced electricity)	(3.7)	(-)	(3.7)	

(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)	144.7 (21.8)
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)	58.7 (9.5)

<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	0.50

<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	0.21

(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	1.7
Consolidated ROA (%)	2.2	2.3	1.2	1.1	1.8	2.3	0.5	0.6
Consolidated equity ratio (%)	23.6	24.4	23.7	24.2	25.4	25.7	24.5	23.7
Amount of consolidated debt with interest (Billion yen)	987.1	946.8	979.5	942.7	874.0	798.5	818.6	827.8

(Reference) Key Factor and Sensitivity

<Key Factor>

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Forecast
Electricity sales (Billion kWh)	27.97	28.20	29.30	28.15	27.18	29.54	28.90	28.08	Approx. 27.40
Currency rate (Yen/\$)	113.3	117.0	114.4	100.7	92.9	85.7	79.1	82.9	Approx. 95
CIF oil prices [All Japan] (\$/b)	55.8	63.5	78.7	90.5	69.4	84.2	114.2	113.9	Approx. 115
Flow rate (%)	95.9	102.9	90.5	88.5	95.2	99.4	103.7	93.2	Approx. 100
Nuclear utilization ratio (%)	88.7	38.3	—	59.6	63.2	81.4	—	—	Uncertain

<Sensitivity>

(Billion yen/year)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Forecast
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. 1.5	Uncertain
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	Uncertain
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	Uncertain
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	Uncertain

(Reference) Date related to financial results

<Profit and loss>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Forecast
Operating revenue	[Consolidated]	480.8	485.6	477.9	524.6	471.4	494.1	495.1	492.4	Approx. 497.0
	[Non-consolidated]	467.2	473.4	466.0	512.9	460.2	482.7	483.3	479.5	Approx. 485.0
Operating income	[Consolidated]	55.1	55.3	27.6	26.1	40.9	49.9	11.6	11.7	Uncertain
	[Non-consolidated]	52.2	50.4	24.3	22.5	37.7	46.6	7.9	8.0	Uncertain
Ordinary income	[Consolidated]	31.5	33.1	12.5	8.3	26.9	35.6	1.0	1.7	Uncertain
	[Non-consolidated]	29.1	30.1	9.3	8.5	23.9	31.4	-2.2	Δ 2.1	Uncertain
Net income	[Consolidated]	19.9	17.2	7.3	7.4	16.9	19.0	-5.2	0.0	Uncertain
	[Non-consolidated]	18.5	15.7	5.1	6.9	15.1	16.6	-6.6	Δ 2.3	Uncertain

<Balance sheet>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Forecast
Total assets	[Consolidated]	1,578.7	1,516.3	1,516.7	1,453.9	1,411.8	1,381.1	1,385.9	1,395.9	—
	[Non-consolidated]	1,535.3	1,478.8	1,481.1	1,421.4	1,382.6	1,351.7	1,358.1	1,366.1	—
Net assets	[Consolidated]	373.0	369.9	359.9	351.1	358.2	354.6	339.5	331.0	—
	[Non-consolidated]	362.9	358.2	346.2	336.9	342.1	336.2	319.7	308.8	—

<Capital investment>

(Billion yen)

		FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Forecast
Capital Investment	[Consolidated]	77.2	39.4	45.2	61.7	50.2	83.3	57.7	67.0	Approx. 83.0
	[Non-consolidated]	74.1	36.5	41.7	57.6	44.3	78.5	54.7	63.8	Approx. 80.0

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