

FY2013 Financial Results

Supplementary Material

April 25, 2014(Fri)



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
(This level is almost the same as the previous year)
- Lighting : Decrease in demand for air-conditioner
- Industrial and other : Increase mainly in machinery sector

(Billion kWh,%)

		FY13 (A)	FY12 (B)	Comparison	
				(A)-(B)	(A)/(B)
Regulated	Lighting	8.48	8.54	Δ 0.06	99.3
	Power	1.27	1.35	Δ 0.08	94.2
	Subtotal	9.75	9.89	Δ 0.14	98.6
Liberarized	Commercial	5.19	5.18	0.01	100.1
	Industrial and other	13.14	13.00	0.14	101.1
	Subtotal	18.33	18.19	0.14	100.8
Total		28.08	28.08	0.00	100.0
Large-scale Industrial		10.51	10.41	0.10	100.9
Residential		13.86	13.93	Δ 0.07	99.5
Other than residential		14.22	14.15	0.07	100.5

※ Residential=lighting, commercial power and night only service

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

(Billion kWh,%)

	FY13 (A)	FY12 (B)	Comparison		
			(A)-(B)	(A)/(B)	
Total of large-scale Industrial	10.51	10.41	0.10	100.9	
Main industry	Textile	1.00	0.99	0.01	100.9
	Paper and pulp	0.30	0.29	0.01	102.9
	Chemical	1.33	1.28	0.05	103.6
	Steel	0.78	0.78	0.00	100.5
	Machinery	3.20	3.15	0.05	101.7
	(Electrical Machinery in Machinery sector)	(2.17)	(2.16)	(0.02)	(100.9)
	Fabricated metal	0.74	0.73	0.01	101.1

(Reference) Average monthly temperature(3 Hokuriku cities)

(°C)

	April	May	June	July	August	September	October	November	December	January	February	March
Actual data	11.4	17.4	22.7	27.0	28.0	22.8	18.7	10.7	5.6	3.3	3.3	7.2
Comparison with the previous year	Δ 1.2	+0.4	+1.3	+0.3	Δ 0.8	Δ 2.2	+1.0	+0.5	+1.5	+0.8	+0.6	Δ 1.1
Comparison with the average year	Δ 1.1	+0.1	+1.5	+1.7	+1.1	+0.2	+2.0	Δ 0.4	Δ 0.5	+0.1	Δ 0.1	+0.5

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

Total Power Generated, Purchased and Sold

- Hydro : Increase due to higher water flow
- Thermal : Decrease due to increasing in coal-fired units which carried out periodic inspection from previous year

(Billion kWh,%)

	FY13 (A)	FY12 (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow ratio]	[104.9]	[93.2]	[11.7]	
Hydroelectric	6.49	5.90	0.59	109.9
Thermal	22.91	23.73	Δ 0.82	96.6
Nuclear	—	—	—	—
Renewable	0.01	0.01	0.00	123.7
Subtotal	29.41	29.63	Δ 0.23	99.2
Purchased from other utilities	2.28	2.21	0.07	103.2
Sold to other utilities	Δ 0.67	Δ 0.83	0.17	79.9
Total	31.01	30.99	0.02	100.1

Overview of FY2013 Financial Results

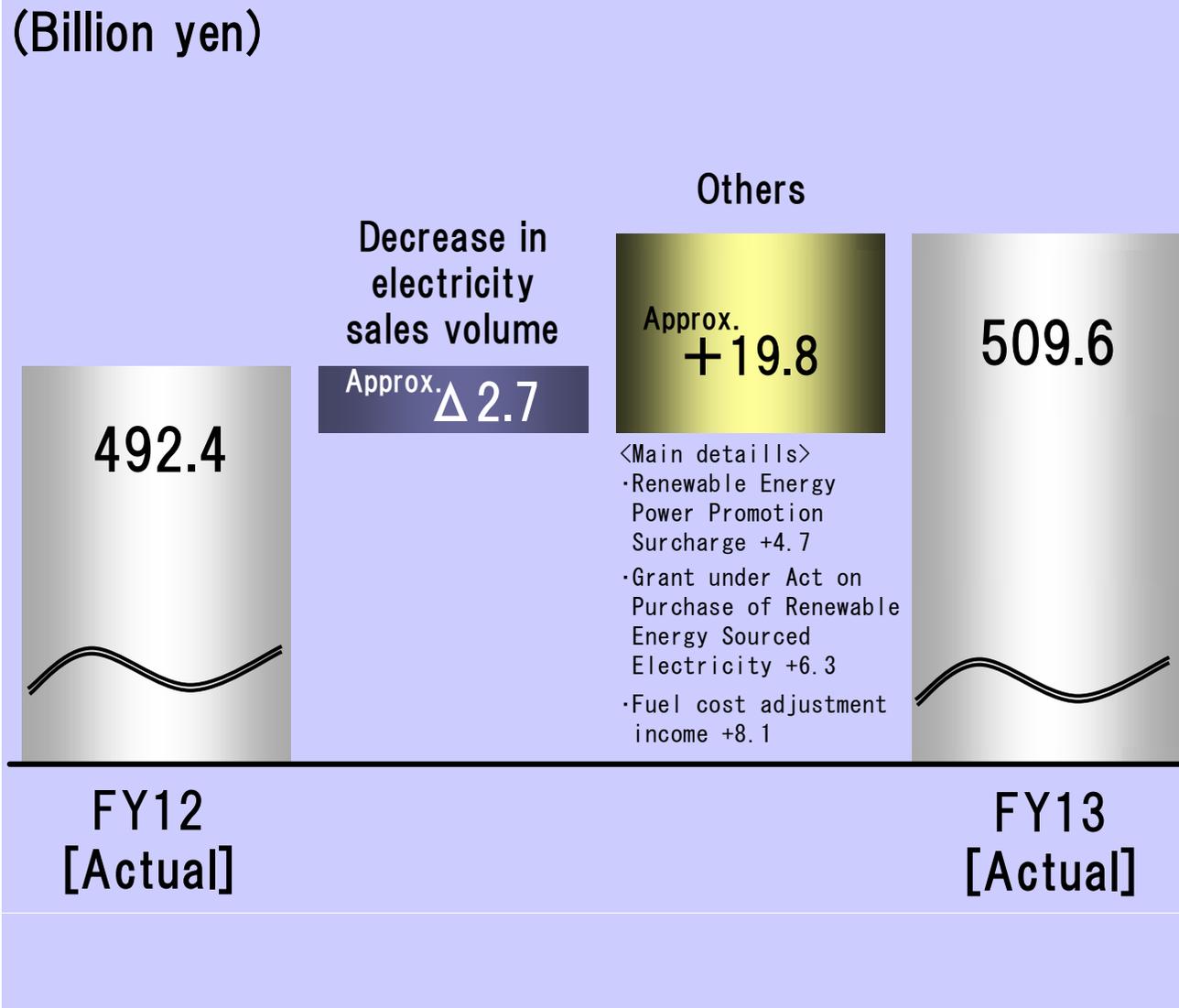
- Consolidated operating revenue : 17.1 billion yen increase
Due to the increase in Renewable Energy Power Promotion Surcharge and Grant under Action Purchase of Renewable Energy Sourced Electricity
- Consolidated ordinary income : 8.1 billion yen increase
Due to the improvement of the efficiency in expenditure and decrease in maintenance and depreciation expenses despite of the increase in oil fuel expense

(Billion yen,%)

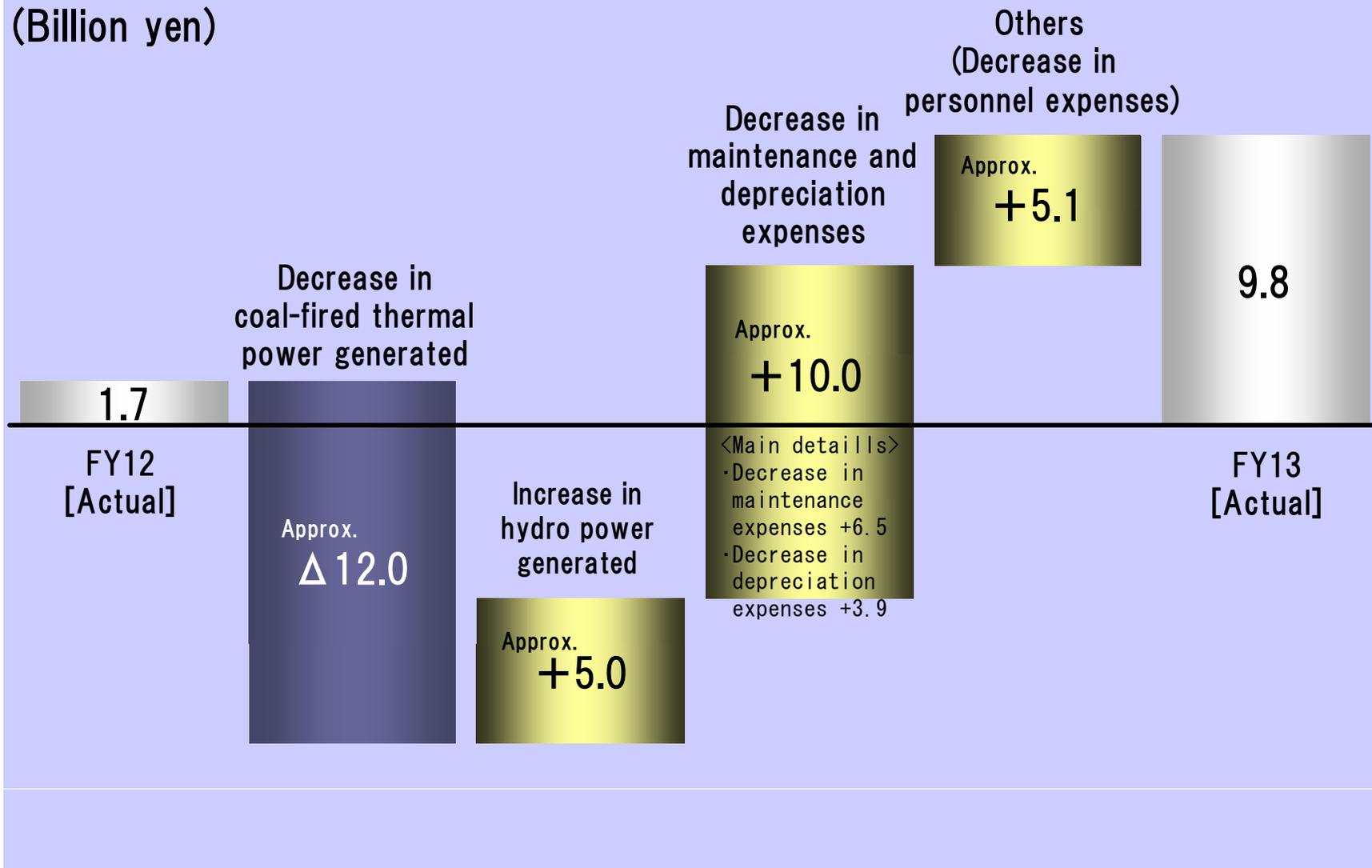
		FY13 (A)	FY12 (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	509.6	492.4	17.1	103.5
	Operating income	19.8	11.7	8.0	168.9
	Ordinary income	9.8	1.7	8.1	577.7
	Net income	2.5	0.0	2.4	2,562.6
Non-consolidated	Operating revenue	495.6	479.5	16.1	103.4
	Operating income	15.7	8.0	7.6	195.3
	Ordinary income	7.3	Δ 2.1	9.5	—
	Net income	1.6	Δ 2.3	3.9	—

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

Changing factor of Consolidated Operating Revenue (Comparison with FY2012)



Changing factor of Consolidated Ordinary Income (Comparison with FY2012)



Non-consolidated Statement of Income

(Billion yen,%)

		FY13 (A)	FY12 (B)	Comparison		(Note) Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Lighting,commercial and industrial	438.0	427.3	10.7	102.5	Increase in Renewable Energy Power Promotion Surcharge
	(Renewable Energy Power Promotion Surcharge)	(8.5)	(3.7)	(4.7)	(224.5)	
	Sales to other utilities	41.9	43.3	△ 1.3	96.9	Decrease in sales to other utilities
	Others	20.7	11.6	9.1	178.9	Increase in Grant under Act on Purchase of Renewable Energy Sourced Electricity
	(Grant under Act on Purchase of Renewable Energy Sourced Electricity)	(8.7)	(2.4)	(6.3)	(362.6)	
	(Operating revenues)	(495.6)	(479.5)	(16.1)	(103.4)	
	Total	500.7	482.2	18.5	103.8	
Ordinary expenses	Personnel expenses	44.6	49.6	△ 5.0	89.9	Decrease in retirement benefit
	Fuel expenses	151.6	138.4	13.1	109.5	Increase in oil-fired thermal power generated due to decrease in coal-fired
	Maintenance expenses	52.7	59.2	△ 6.5	89.0	Decrease in maintenance expenses of distribution
	Depreciation expenses	66.9	70.9	△ 3.9	94.4	Progress in depreciation
	Purchased power expenses	54.3	47.8	6.5	113.6	Increase in power purchased from renewable energy source
	Interest paid	12.6	12.1	0.5	104.4	Increase in debt with interest
	Taxes other than income taxes	31.4	31.2	0.1	100.6	
	Other expenses	78.9	74.8	4.1	105.5	Increase in levy under act on purchase of renewable energy sourced electricity
	(Levy under Act on Purchase of Renewable Energy Sourced Electricity)	(8.5)	(3.7)	(4.7)	(224.5)	
	Total	493.4	484.4	9.0	101.9	
Operating income		15.7	8.0	7.6	195.3	
Ordinary income		7.3	△ 2.1	9.5	—	
Provision (reversal) of reserve for fluctuation in water levels		4.0	△ 0.7	4.8	—	
Income taxes		1.6	0.8	0.7	193.9	
Net income		1.6	△ 2.3	3.9	—	

Consolidated Balance Sheet (Summary)

(Billion yen)

	End of FY13 (A)	End of FY12 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,160.3	1,183.6	Δ 23.3	
Electricity business	863.6	894.7	Δ 31.0	<ul style="list-style-type: none"> • Completion of construction 56.9 • Depreciation Δ 66.9 • Reduction by the amendment of ministerial ordinance for nuclear Δ 14.8
Others	296.6	288.9	7.7	
Current assets	279.7	212.3	67.4	• Cash and Stores 68.5
Total assets	1,440.1	1,395.9	44.1	
Debt with interest	885.0	827.8	57.1	<ul style="list-style-type: none"> • Straight bond 30.0 • Long-term debt loan 27.8
Other debt	216.3	227.1	Δ 10.8	
Reserve for fluctuation in water levels	13.9	9.8	4.0	
Total liabilities	1,115.3	1,064.9	50.4	
Total net assets	324.8	331.0	Δ 6.2	
[Equity ratio]	[22.6%]	[23.7%]	[Δ 1.1%]	
Total of liabilities and net assets	1,440.1	1,395.9	44.1	

Consolidated Statement of Cash Flows (Summary)

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)
I .Operating activities①	81.6	86.5	△ 4.8
Income before income taxes and minority interests	5.8	2.4	3.3
Depreciation and amortization	70.8	74.9	△ 4.0
Others	4.9	9.1	△ 4.1
II .Investing activities②	△ 60.0	△ 61.7	1.7
Capital expenditure	△ 61.5	△ 62.2	0.6
Long-term investment and others	1.5	0.4	1.0
III .Financing activities	46.7	△ 1.1	47.8
Loan,bond,etc	57.1	9.2	47.9
Purchases and sales of own stock	△ 0.0	△ 0.0	△ 0.0
Cash dividends paid③	△ 10.4	△ 10.4	△ 0.0
IV .Net increase in cash and cash equivalents(I + II + III)	68.3	23.5	44.7
○ Free cash flow(①+②+③)	11.1	14.3	△ 3.1
(reference : non-consolidated free cash flow)	(10.0)	(11.4)	(△ 1.3)

FY2014 Forecast (Key Factor)

【Total sales of electric power】

➤ 27.7 billion kWh

(0.4 billion kWh decrease compared with the FY2013 actual)

Due to the reactionary fall in demand for air-conditioners

(Billion kWh)

	FY2014 Forecast (A)	FY2013 Actual (B)	Comparison	
			(A)-(B)	(A)/(B)
Residential	Approx. 13.6	13.86	Approx. Δ 0.3	Approx. 98%
Other than residential	Approx. 14.1	14.22	Approx. Δ 0.1	Approx. 99%
Total sales of electric power	Approx. 27.7	28.08	Approx. Δ 0.4	Approx. 99%

【Key factor】

	(yen/\$, \$/b)	(Reference)
	FY14 Forecast	FY13 Actual
Currency Rate	Approx. 105	100.2
C I F oil prices (All Japan)	Approx. 110	110.0

FY2014 Revenue and Income Forecast

- 520 billion yen consolidated operating revenue and 505 billion yen non-consolidated operating revenue due to increase in 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
- Dividends cannot be made at this point

(Billion yen)

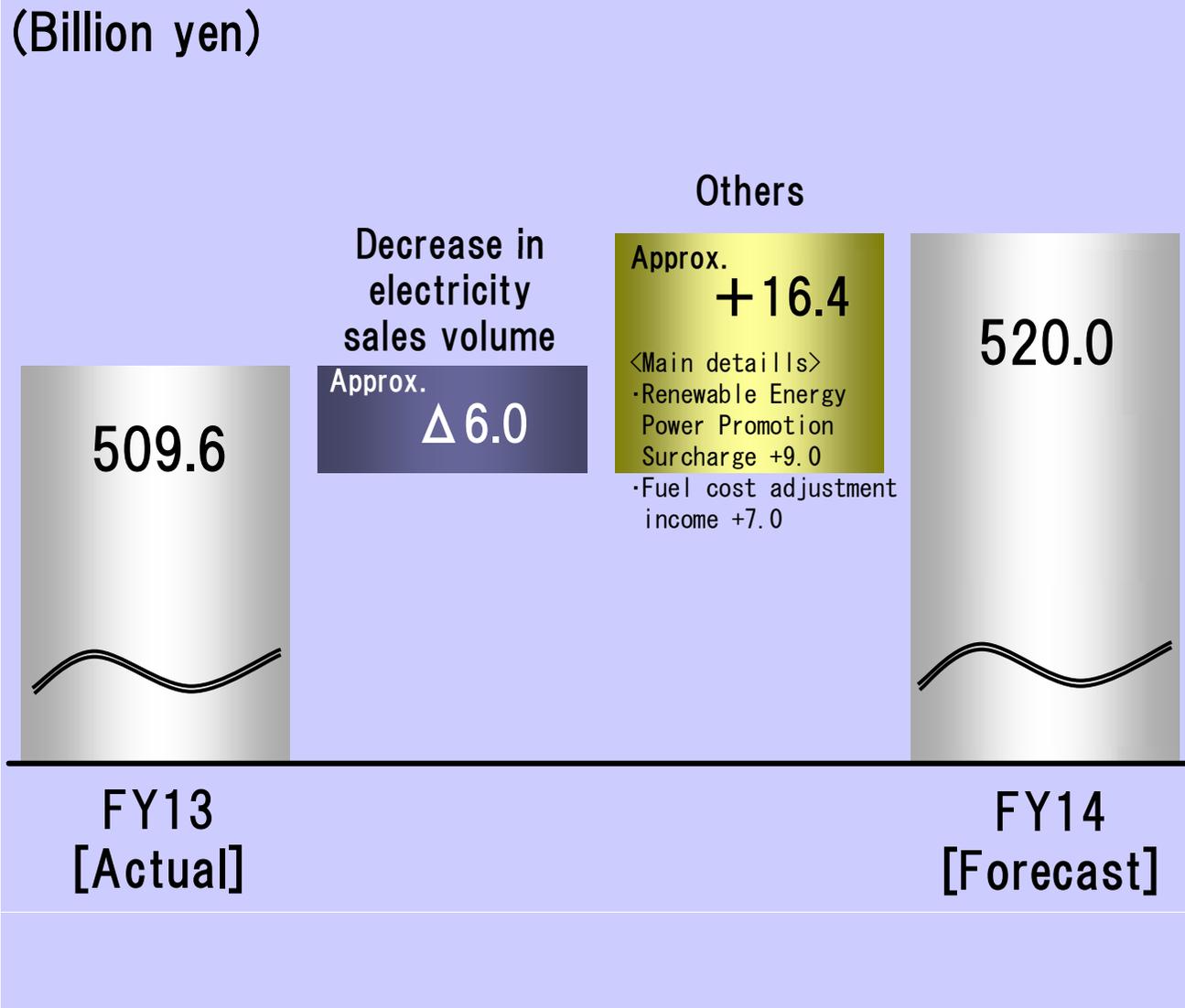
		FY14 Forecast (A)	FY13 (B)	Comparison (A)-(B)
Consolidated	Operating revenues	Approx. 520.0 (Approx.102%)	509.6 (103.5%)	Approx. 10.4
	Operating income	Uncertain	19.8 (168.9%)	—
	Ordinary income	Uncertain	9.8 (577.7%)	—
	Net income	Uncertain	2.5 (2,562.6%)	—

Non- consolidated	Operating revenues	Approx. 505.0 (Approx.102%)	495.6 (103.4%)	Approx. 9.4
	Operating income	Uncertain	15.7 (195.3%)	—
	Ordinary income	Uncertain	7.3 (—)	—
	Net income	Uncertain	1.6 (—)	—

*Figures in parentheses denote percentage from the previous year.

Dividends	—
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Changing factor of Consolidated Operating Revenue Forecast (Comparison with FY2013)



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

[Lighting,commercial and industrial]

(Billion kWh,Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Total Sales of electric power	28.08	28.08	0.00	
Revenue from lighting, commercial and industrial	438.0	427.3	10.7	<ul style="list-style-type: none"> Decrease in total sales of electric power Δ 1.4 Increase in renewable energy power promotion surcharge +12.1
(Lighting)	162.8	160.8	2.0	
(Power)	275.1	266.4	8.7	

[Sales to other utilities]

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Revenue from sales to other utilities	41.9	43.3	Δ 1.3	
Revenue from sales to other electric utilities	32.2	38.0	Δ 5.8	<ul style="list-style-type: none"> Decrease in total sales to other electric utilities Increase in revenue from sales at JEPX
Revenue from sales to other utilities	9.7	5.2	4.5	

(Reference)supply volume

(Billion kWh)

To other electric utilities	0.88	1.01	Δ 0.13
To other utilities	0.62	0.36	0.26

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	44.6	49.6	Δ 5.0	
Salary, etc	44.0	44.3	Δ 0.2	•Decrease in employees salary and allowances
Retirement benefit	0.5	5.2	Δ 4.7	•Due to increase of pension assets of FY12

[Reference]

(People)

	FY13	FY12	Comparison	
Numbr of employee at the end of FY	4,895	4,861	34	

[Fuel expenses]

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Fuel Expenses	151.6	138.4	13.1	•Decrease in coal-fired thermal power generated Approx. +12.0
Fossil fuel	151.6	138.4	13.1	•Increase in fossil fuel prices Approx. +9.0
(Oil)	(72.4)	(57.3)	(15.1)	•Increase in hydro power generated Approx. Δ 5.0
(Coal)	(79.1)	(81.0)	(Δ 1.9)	•Others Approx. Δ 3.0

(Reference)Key factors

Currency rate(yen/\$)	100.2	82.9	17.3
CIF oil prices[All Japan] (\$/b)	110.0	113.9	Δ 3.9
CIF coal prices ["] (\$/t)	107.8	127.4	Δ 19.6

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

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Purchased Power expenses	54.3	47.8	6.5	・Increase in renewable energy power purchased
Expenses to other electric utilities	2.5	1.8	0.7	
Expenses to public and wholesale utilities	51.8	46.0	5.7	

(Reference) Supplied volume

(Billion kWh)

From other electric utilities	0.21	0.17	0.04	
From public and wholesale utilities	2.90	2.57	0.33	

[Maintenance expenses, Other expenses]

(Billion yen)

	FY13 (A)	FY12 (B)	Comparison (A)-(B)	(Note) Main reason of increase and decrease
Maintenance expenses	52.7	59.2	Δ 6.5	
Power source	29.4	29.3	0.0	
(Thermal)	(21.3)	(19.0)	(2.3)	
(Nuclear)	(3.0)	(4.6)	(Δ 1.6)	
Distribution	22.3	28.9	Δ 6.5	・Decrease in the maintenance expenses of distribution
Others	1.0	0.9	0.0	
Other expenses	78.9	74.8	4.1	・Increase in Levy under Act on Purchase of Renewable Energy Sourced Electricity
(levy under act on purchase of renewable energy sourced electricity)	(8.5)	(3.7)	(4.7)	

(Reference) Key Factor and Sensitivity

<Key Factor>

	FY09	FY10	FY11	FY12	FY13	FY14 Forecast
Electricity sales (Billion kWh)	27.18	29.54	28.90	28.08	28.08	Approx. 27.7
Currency rate (Yen/\$)	92.9	85.7	79.1	82.9	100.2	Approx. 105
CIF oil prices [All Japan] (\$/b)	69.4	84.2	114.2	113.9	110.0	Approx. 110
Flow ratio (%)	95.2	99.4	103.7	93.2	104.9	Approx. 100
Nuclear utilization ratio (%)	63.2	81.4	—	—	—	Uncertain

<Sensitivity>

	FY09	FY10	FY11	FY12	FY13	FY14 Forecast
Currency rate (1yen/\$)	Approx. 0.6	Approx. 0.6	Approx. 1.6	Approx. 1.5	Approx. 1.3	Uncertain
CIF oil prices [All Japan] (1\$/b)	Approx. 0.2	Approx. 0.2	Approx. 0.4	Approx. 0.5	Approx. 0.6	Uncertain
Flow ratio (1%)	Approx. 0.4	Approx. 0.4	Approx. 0.5	Approx. 0.5	Approx. 0.6	Uncertain
Nuclear utilization ratio (1%)	Approx. 0.3	Approx. 0.3	Approx. 0.5	Approx. 0.5	Approx. 0.6	Uncertain

(Billion yen/year)

(Reference) Date related to financial results

<Profit and loss>

(Billion yen)

		FY09	FY10	FY11	FY12	FY13	FY14 Forecast
Operating revenue	[Consolidated]	471.4	494.1	495.1	492.4	509.6	Approx. 520.0
	[Non-consolidated]	460.2	482.7	483.3	479.5	495.6	Approx. 505.0
Operating income	[Consolidated]	40.9	49.9	11.6	11.7	19.8	Uncertain
	[Non-consolidated]	37.7	46.6	7.9	8.0	15.7	Uncertain
Ordinary income	[Consolidated]	26.9	35.6	1.0	1.7	9.8	Uncertain
	[Non-consolidated]	23.9	31.4	Δ 2.2	Δ 2.1	7.3	Uncertain
Net income	[Consolidated]	16.9	19.0	Δ 5.2	0.0	2.5	Uncertain
	[Non-consolidated]	15.1	16.6	Δ 6.6	Δ 2.3	1.6	Uncertain

<Balance sheet>

(Billion yen)

		FY09	FY10	FY11	FY12	FY13	FY14 Forecast
Total assets	[Consolidated]	1,411.8	1,381.1	1,385.9	1,395.9	1,440.1	Uncertain
	[Non-consolidated]	1,382.6	1,351.7	1,358.1	1,366.1	1,407.9	Uncertain
Net assets	[Consolidated]	358.2	354.6	339.5	331.0	324.8	Uncertain
	[Non-consolidated]	342.1	336.2	319.7	308.8	300.5	Uncertain

<Capital investment>

(Billion yen)

		FY09	FY10	FY11	FY12	FY13	FY14 Forecast
Capital Investment	[Consolidated]	50.2	83.3	57.7	67.0	64.6	Uncertain
	[Non-consolidated]	44.3	78.5	54.7	63.8	61.4	Uncertain

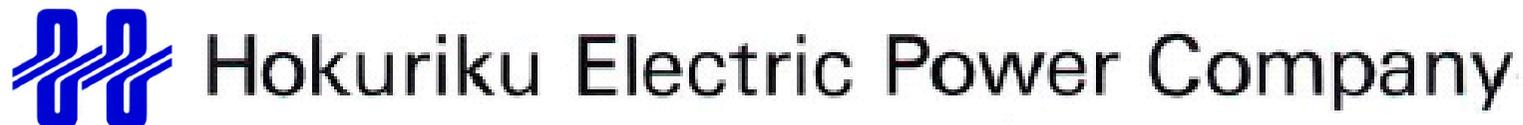
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