

FY2014 Financial Results

Supplementary Material

April 28, 2015(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

➤ 27.88 billion kWh

(0.19 billion kWh decrease compared with the previous year)

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

■ Industrial and other : Increase mainly in machinery and chemical sector

(Billion kWh,%)

		FY14 (A)	FY13 (B)	Comparison	
				(A)-(B)	(A)/(B)
Regulated	Lighting	8.32	8.48	Δ0.15	98.2
	Power	1.24	1.27	Δ0.03	97.3
	Subtotal	9.56	9.75	Δ0.18	98.1
Liberarized	Commercial	5.11	5.19	Δ0.08	98.4
	Industrial and other	13.21	13.14	0.07	100.6
	Subtotal	18.32	18.33	Δ0.01	100.0
Total		27.88	28.08	Δ0.19	99.3
Large-scale Industrial		10.60	10.51	0.09	100.9
Residential		13.61	13.86	Δ0.24	98.2
Other than residential		14.27	14.22	0.05	100.4

※ Residential=lighting, commercial power and night only service

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

(Billion kWh,%)

	FY14 (A)	FY13 (B)	Comparison		
			(A)-(B)	(A)/(B)	
Total of large-scale Industrial	10.60	10.51	0.09	100.9	
Main industry	Textile	1.00	1.00	0.00	100.0
	Paper and pulp	0.28	0.30	Δ 0.02	94.3
	Chemical	1.37	1.33	0.04	103.1
	Steel	0.80	0.78	0.01	101.6
	Machinery	3.25	3.20	0.05	101.7
	(Electrical Machinery in Machinery sector)	(2.22)	(2.17)	(0.05)	(102.1)
	Fabricated metal	0.72	0.74	Δ 0.02	97.2

(Reference) Average monthly temperature(3 Hokuriku cities)

(°C)

	April	May	June	July	August	September	October	November	December	January	February	March
Actual data	12.3	18.1	22.7	26.1	26.4	22.3	16.9	11.9	3.9	3.3	4.2	7.4
Comparison with the previous year	+0.9	+0.7	+0.0	Δ 0.9	Δ 1.6	Δ 0.5	Δ 1.8	+1.2	Δ 1.7	+0.0	+0.9	+0.2
Comparison with the average year	Δ 0.2	+0.8	+1.5	+0.8	Δ 0.5	Δ 0.3	+0.2	+0.8	Δ 2.2	+0.1	+0.8	+0.7

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

Total Power Generated, Purchased and Sold

- Hydro : Decrease in water flow
- Thermal : Increase due to coal-fired thermal power generated
- Purchased (sold) from other companies : Increase sales at JEPX

(Billion kWh,%)

	FY14 (A)	FY13 (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow ratio]	[104.3]	[104.9]	[Δ 0.6]	
Hydroelectric	6.33	6.49	Δ 0.16	97.5
Thermal	23.79	22.91	0.88	103.9
Nuclear	—	—	—	—
Renewable	0.01	0.01	Δ 0.00	72.6
Subtotal	30.12	29.41	0.72	102.4
Purchased (sold) from other companies	1.44	2.28	Δ 0.84	63.2
Purchased (sold) from other utility companies	Δ 0.69	Δ 0.67	Δ 0.03	104.1
Total	30.86	31.01	Δ 0.15	99.5

Overview of FY2014 Financial Results

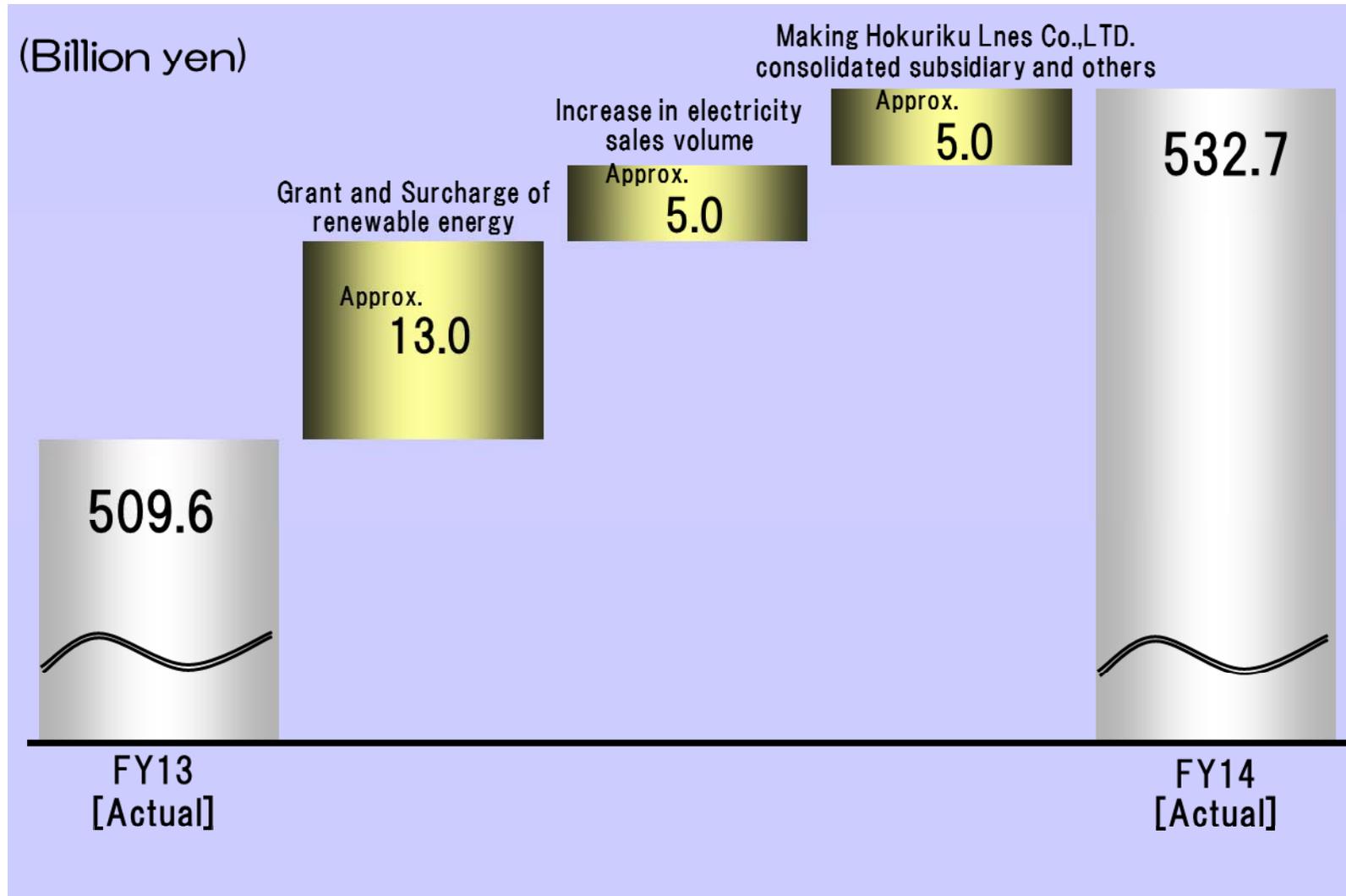
- Consolidated operating revenue : 23.1 billion yen increase
 - Increase in Renewable Energy Power Promotion Surcharge Grant under Act on Purchase of Renewable Energy Sourced Electricity
 - Increase sales at JEPX
 - Consolidated subsidiary Hokuriku Lnes Co.,LTD.
- Consolidated ordinary income : 12.4 billion yen increase
 - Decrease in oil-fired generated with the cause of decrease in coal-fired units which carried out periodic inspection
 - Decrease in fuel expenses because of reduction in fossil fuel prices

(Billion yen,%)

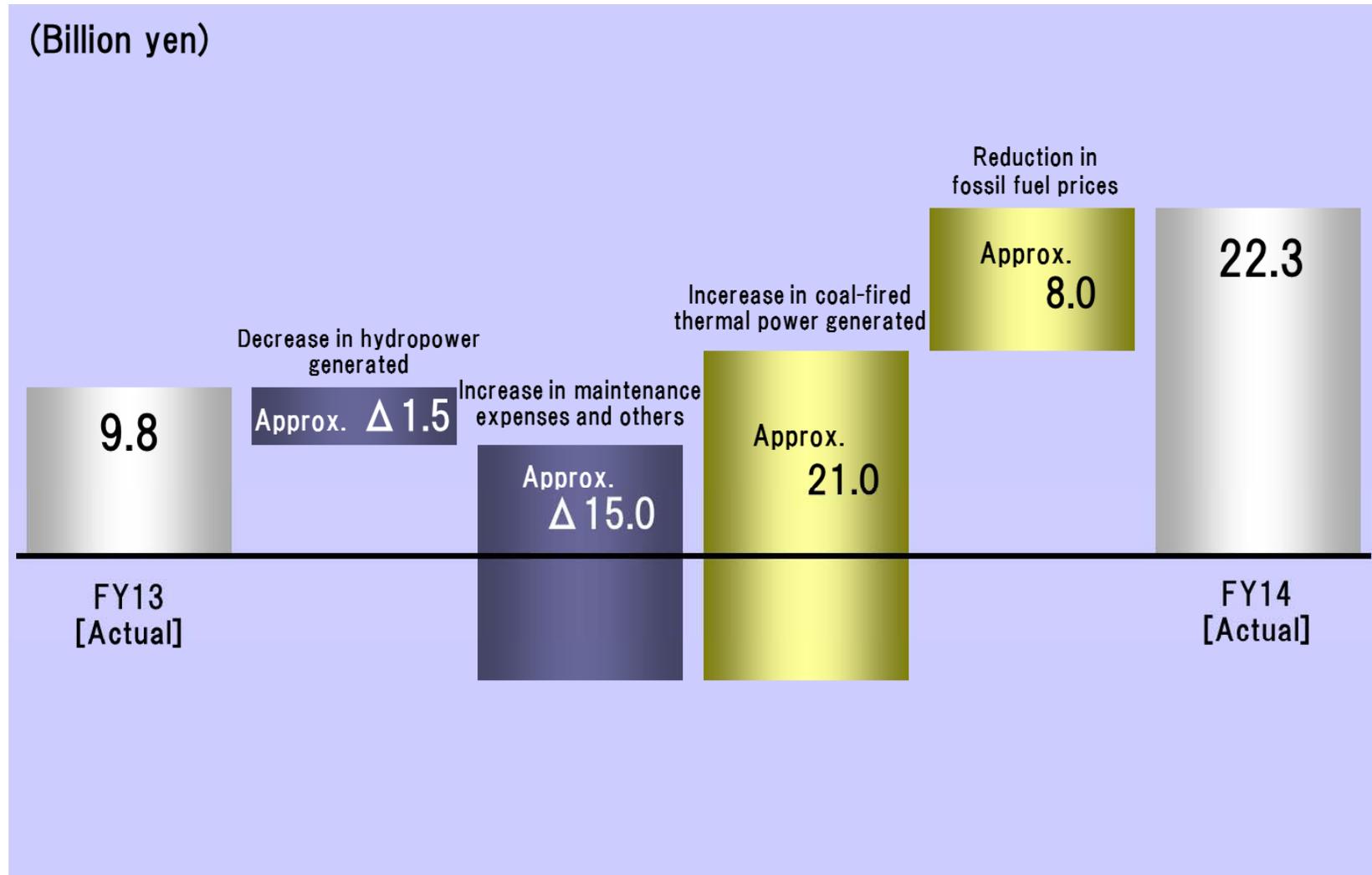
		FY14 (A)	FY13 (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	532.7	509.6	23.1	104.5
	Operating income	39.9	19.8	20.1	201.2
	Ordinary income	22.3	9.8	12.4	225.6
	Net income	8.9	2.5	6.4	357.2
Non-consolidated	Operating revenue	513.0	495.6	17.3	103.5
	Operating income	35.2	15.7	19.5	224.5
	Ordinary income	18.1	7.3	10.7	246.3
	Net income	6.6	1.6	5.0	410.3

<The number of consolidated subsidiaries ▪ ▪ 13 affiliates and 1 equity method affiliates>

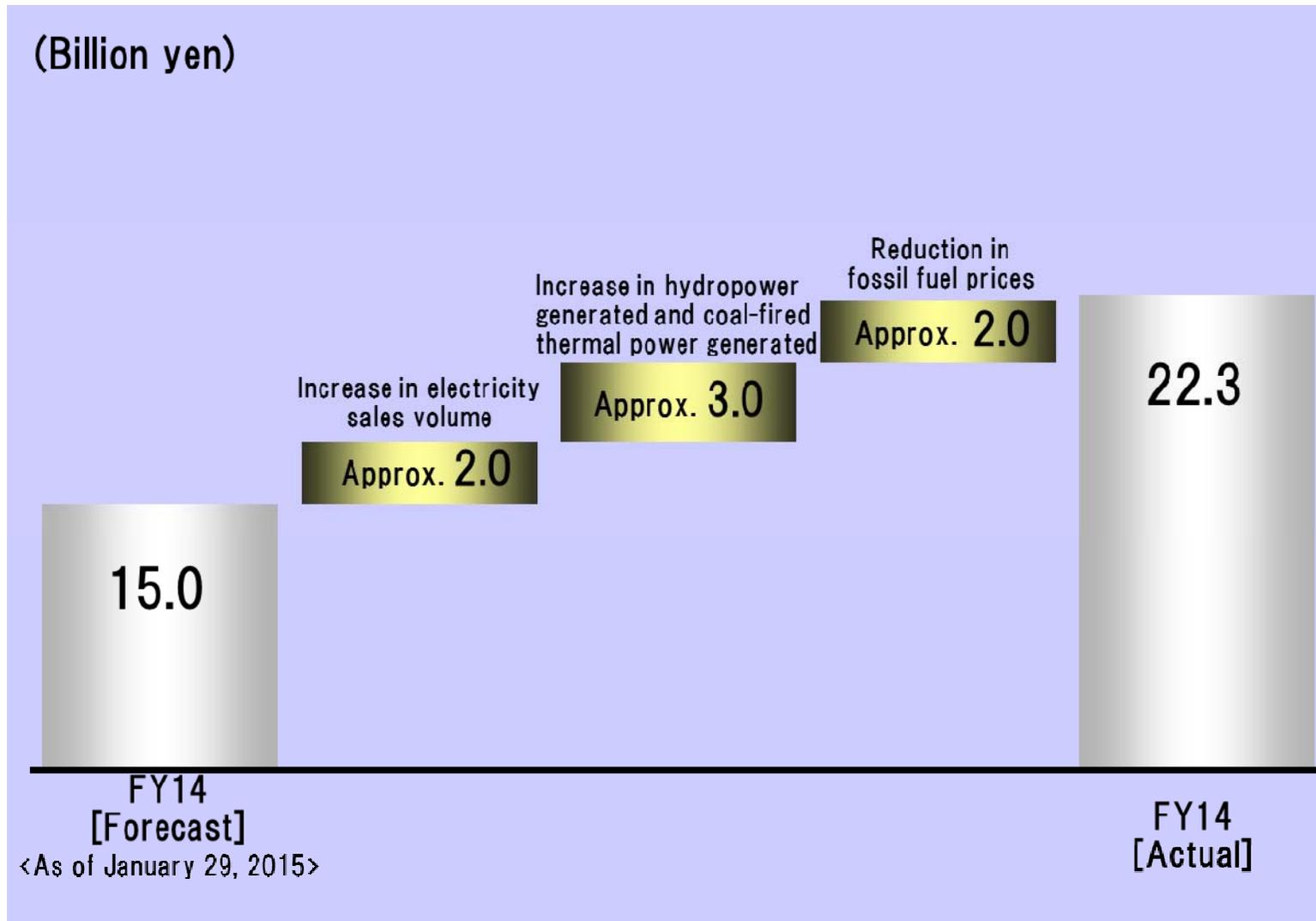
Changing factor of Consolidated Operating Revenue (Comparison with FY2013)



Changing factor of Consolidated Ordinary Income (Comparison with FY2013)



Changing factor of Consolidated Ordinary Income (Comparison with forecast as of January 29, 2015)



Non-consolidated Statement of Income

(Billion yen,%)

		FY14 (A)	FY13 (B)	Comparison		(Note) Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Lighting,commercial and industrial	444.8	438.0	6.8	101.6	Increase in Renewable Energy Power Promotion Surcharge
	(Renewable Energy Power Promotion Surcharge)	(17.3)	(8.5)	(8.7)	(203.2)	
	Sales to other utilities	48.4	41.9	6.4	115.3	Increase in sales at JEPX
	Others	22.7	20.7	1.9	109.6	Increase in Grant under Act on Purchase of Renewable Energy Sourced Electricity
	(Grant under Act on Purchase of Renewable Energy Sourced Electricity)	(13.0)	(8.7)	(4.3)	(150.2)	
	(Operating revenues)	(513.0)	(495.6)	(17.3)	(103.5)	
	Total	516.0	500.7	15.2	103.1	
Ordinary expenses	Personnel expenses	50.4	44.6	5.8	113.2	Increase in retirement benefit
	Fuel expenses	128.7	151.6	Δ 22.8	84.9	Decrease in oil-fired thermal power generated Reduction in fossil fuel prices
	Maintenance expenses	60.8	52.7	8.0	115.2	Increase in expenses of periodic inspection of coal-fired units Increase in maintenance construction of distribution
	Depreciation expenses	66.8	66.9	Δ 0.1	99.8	
	Purchased power expenses	56.2	54.3	1.8	103.4	Increase in power purchased from other utilities
	Interest paid	15.1	12.6	2.4	119.7	Operation of substantial advanced redemption of straight bond
	Taxes other than income taxes	31.2	31.4	Δ 0.2	99.3	
	Other expenses	88.4	78.9	9.4	112.0	Increase in levy under act on purchase of renewable energy sourced electricity
	(Levy under Act on Purchase of Renewable Energy Sourced Electricity)	(17.3)	(8.5)	(8.7)	(203.2)	
Total	497.9	493.4	4.5	100.9		
Operating income	35.2	15.7	19.5	224.5		
Ordinary income	18.1	7.3	10.7	246.3		
Provision (reversal) of reserve for fluctuation in water levels	2.6	4.0	Δ 1.4	65.8		
Income taxes	8.7	1.6	7.1	534.9		
Net income	6.6	1.6	5.0	410.3		

Consolidated Balance Sheet (Summary)

(Billion yen)

	End of FY14 (A)	End of FY13 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,203.5	1,160.3	43.1	
Electricity business	833.4	863.6	Δ 30.2	•Completion of construction 46.7 •Depreciation Δ 66.8
Others	370.1	296.6	73.4	•Increase the amount of construction in progress 105.7 •Completion of construction Δ 47.0
Current assets	275.9	279.7	Δ 3.8	•Cash and Stores Δ 20.2
Total assets	1,479.4	1,440.1	39.2	
Debt with interest	875.2	885.0	Δ 9.7	•Straight bond Δ 43.2 Long-term debt loan 36.0
Other debt	243.2	216.3	26.9	•tax payable 9.6
Reserve for fluctuation in water levels	16.6	13.9	2.6	
Total liabilities	1,135.2	1,115.3	19.9	
Total net assets	344.2	324.8	19.3	
[Equity ratio]	[22.7%]	[22.6%]	[0.1%]	
Total of liabilities and net assets	1,479.4	1,440.1	39.2	

Consolidated Statement of Cash Flows (Summary)

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)
I .Operating activities①	113.1	81.6	31.5
Income before income taxes and minority interests	19.6	5.8	13.8
Depriciation and amortization	70.3	70.8	Δ 0.4
Others	23.1	4.9	18.1
II .Investing activities②	Δ 104.0	Δ 60.0	Δ 44.0
Capital expenditure	Δ 117.3	Δ 61.5	Δ 55.7
Long-term investment and others	13.2	1.5	11.7
III.Financing activities	Δ 19.3	46.7	Δ 66.0
Loan,bond,etc	Δ 8.9	57.1	Δ 66.0
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)	Δ 10.2	68.3	Δ 78.6
○ Free cash flow(①+②+③)	Δ 1.3	11.1	Δ 12.5
(reference : non-consolidated free cash flow)	(Δ 15.1)	(10.0)	(Δ 25.2)

FY2015 Forecast (Key Factor)

【Total sales of electric power】

➤ 28.0 billion kWh

(0.1 billion kWh increase compared with the FY2014 actual)

Due to the increase in large-scale industrial

(Billion kWh)

	FY2015 Forecast (A)	FY2014 Actual (B)	Comparison	
			(A)-(B)	(A)/(B)
Residential	Approx. 13.5	13.61	Approx. Δ 0.1	Approx. 100%
Other than residential	Approx. 14.5	14.27	Approx. 0.2	Approx. 101%
Total sales of electric power	Approx. 28.0	27.88	Approx. 0.1	Approx. 100%

【Key factor】

	(yen/\$, \$/b)	(Reference)
	FY15 Forecast	FY14 Actual
Currency Rate	Approx. 125	109.8
C I F oil prices (All Japan)	Approx. 60	90.4

FY2015 Revenue and Income Forecast

- 550 billion yen consolidated operating revenue and 500 billion yen non-consolidated operating revenue
- Reasonable forecasts of operating income, ordinary income and net income are undetermined because the supply demand balance has been investigated in order to ensure stable supply.
- Dividends forecast is undetermined because income forecast is uncertain

(Billion yen)

		FY15 Forecast (A)	FY14 Actual (B)	Comparison (A)-(B)
Consolidated	Operating revenues	Approx. 550.0 (Approx. 103%)	532.7 (105%)	Approx. 17.3
	Operating income	Uncertain	39.9 (201%)	—
	Ordinary income	Uncertain	22.3 (226%)	—
	Net income	Uncertain	8.9 (357%)	—
Non-consolidated	Operating revenues	Approx. 500.0 (Approx. 97%)	513.0 (104%)	Approx. Δ 13.0
	Operating income	Uncertain	35.2 (225%)	—
	Ordinary income	Uncertain	18.1 (246%)	—
	Net income	Uncertain	6.6 (410%)	—

*Figures in parentheses denote percentage from the previous year.

Dividends	Uncertain
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Changing factor of Consolidated Operating Revenue Forecast (Comparison with FY2014)



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

[Lighting,commercial and industrial]

(Billion kWh,Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Total Sales of electric power	27.88	28.08	△ 0.19	
Revenue from lighting, commercial and industrial	444.8	438.0	6.8	<ul style="list-style-type: none"> ▪ Decrease in total sales of electric power Approx.△ 3.4 ▪ Increase in renewable energy power promotion surcharge Approx.+10.2
(Lighting)	162.5	162.8	△ 0.3	
(Power)	282.3	275.1	7.1	

[Sales to other utilities]

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Revenue from sales to other utilities	48.4	41.9	6.4	
Revenue from sales to other electric utilities	29.9	32.2	△ 2.2	▪ Decrease in total sales to other electric utilities
Revenue from sales to other utilities	18.4	9.7	8.6	▪ Increase in revenue from sales at JEPX

(Reference)supply volume

(Billion kWh)

To other electric utilities	0.87	0.88	△ 0.01	
To other utilities	1.36	0.62	0.74	

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

[Personnel expenses]

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Personnel expenses	50.4	44.6	5.8	
Retirement benefit	4.5	0.5	4.0	•Review of discount rate by decline of interest rate

[Reference]

(People)

	FY14	FY13	Comparison	
Numbr of employee at the end of FY	4,899	4,895	4	

[Fuel expenses]

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Fuel Expenses	128.7	151.6	Δ 22.8	
Fossil fuel	128.7	151.6	Δ 22.8	<ul style="list-style-type: none"> •Increase in coal-fired thermal power generated Approx. Δ21.0 •Reduction in fossil fuel prices Approx.Δ 7.0 •Increase in electricity sales volume Approx.+3.0 •Decrease in hydro power generated Approx.+1.5
(Oil)	(45.0)	(72.4)	Δ 27.3	
(Coal)	(83.6)	(79.1)	(4.5)	

(Reference)Key factors

Currency rate(yen/\$)	109.8	100.2	9.6
CIF oil prices[All Japan] (\$/b)	90.4	110.0	Δ 19.6
CIF coal prices ["] (\$/t)	92.6	107.8	Δ 15.2

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

[Maintenance expenses]

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Maintenance expense	60.8	52.7	8.0	
Power source	35.3	29.4	5.8	Increase in expenses of periodic inspection of thermal
Distribution	24.1	22.3	1.7	Increase due to function maintenance construction
Others	1.3	1.0	0.3	

[Interest paid, Other expenses]

(Billion yen)

	FY14 (A)	FY13 (B)	Comparison (A)-(B)	(Note) Main reason for increase and decrease
Interest paid	15.1	12.6	2.4	Increase due to substantial advanced redemption of straight bond
Other expenses	88.4	78.9	9.4	Increase in levy under act on purchase of renewable energy sourced electricity
(Levy under act on purchase of renewable energy sourced electricity)	17.3	8.5	8.7	
(Reserve for decommissioning of nuclear power units)	2.5	1.2	1.3	Changing accounting policy

(Reference) Key Factor and Sensitivity

<Key Factor>

	FY10	FY11	FY12	FY13	FY14	FY15 Forecast
Electricity sales (Billion kWh)	29.54	28.90	28.08	28.08	27.88	Approx. 28.0
Currency rate (Yen/\$)	85.7	79.1	82.9	100.2	109.8	Approx. 125
CIF oil prices [All Japan] (\$/b)	84.2	114.2	113.9	110.0	90.4	Approx. 60
Flow rate (%)	99.4	103.7	93.2	104.9	104.3	Approx. 100
Nuclear utilization ratio (%)	81.4	—	—	—	—	Uncertain

<Sensitivity>

	FY10	FY11	FY12	FY13	FY14	FY15 Forecast
Currency rate (1yen/\$)	Approx. 0.6	Approx. 1.6	Approx. 1.5	Approx. 1.3	Approx. 1.0	Uncertain
CIF oil prices [All Japan] (1\$/b)	Approx. 0.2	Approx. 0.4	Approx. 0.5	Approx. 0.6	Approx. 0.4	Uncertain
Flow rate (1%)	Approx. 0.4	Approx. 0.5	Approx. 0.5	Approx. 0.6	Approx. 0.5	Uncertain
Nuclear utilization ratio (1%)	Approx. 0.3	Approx. 0.5	Approx. 0.5	Approx. 0.6	Approx. 0.5	Uncertain

(Billion yen/year)

(Reference) Date related to financial results

<Profit and loss>

(Billion yen)

		FY10	FY11	FY12	FY13	FY14	FY15 Forecast
Operating revenue	[Consolidated]	494.1	495.1	492.4	509.6	532.7	Approx. 550.0
	[Non-consolidated]	482.7	483.3	479.5	495.6	513.0	Approx. 500.0
Operating income	[Consolidated]	49.9	11.6	11.7	19.8	39.9	Uncertain
	[Non-consolidated]	46.6	7.9	8.0	15.7	35.2	Uncertain
Ordinary income	[Consolidated]	35.6	1.0	1.7	9.8	22.3	Uncertain
	[Non-consolidated]	31.4	Δ 2.2	Δ 2.1	7.3	18.1	Uncertain
Net income	[Consolidated]	19.0	Δ 5.2	0.0	2.5	8.9	Uncertain
	[Non-consolidated]	16.6	Δ 6.6	Δ 2.3	1.6	6.6	Uncertain

<Balance sheet>

(Billion yen)

		FY10	FY11	FY12	FY13	FY14	FY15 Forecast
Total assets	[Consolidated]	1,381.1	1,385.9	1,395.9	1,440.1	1,479.4	Uncertain
	[Non-consolidated]	1,351.7	1,358.1	1,366.1	1,407.9	1,419.4	Uncertain
Net assets	[Consolidated]	354.6	339.5	331.0	324.8	344.2	Uncertain
	[Non-consolidated]	336.2	319.7	308.8	300.5	302.8	Uncertain

<Capital investment>

(Billion yen)

		FY10	FY11	FY12	FY13	FY14	FY15 Forecast
Capital investment	[Consolidated]	83.3	57.7	67.0	64.6	118.9	Uncertain
	[Non-consolidated]	78.5	54.7	63.8	61.4	115.7	Uncertain

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