
FY2017 Financial Results

April 25, 2018(Wed)



Contents

I . Outline of Financial Results for FY2017

- Electricity Sales02
- Generated and Received Power03
- Summary of Financial Results04
 - (Reference) Time Lag Effect of Fuel Cost Adjustment System [Actual]
- Financial Forecast for FY201808
- Dividend Forecast for FY201810

II . Supplemental Material

- Outline of Non-consolidated Financial Results12
- Consolidated Balance Sheet (Summary)13
- Consolidated Statement of Cash Flow (Summary)14
 - (Reference) Key Factor and Sensitivity
 - (Reference) Data related to Financial Results (1)
 - (Reference) Data related to Financial Results (2)

I . Outline of Financial Results for FY2017

Electricity Sales

(Billion kWh,%)

	FY17 (A)	FY16 (B)	Comparison	
			(A)-(B)	(A)/(B)
Retail	28.66	28.10	0.56	102.0
Lighting	8.48	8.23	0.25	103.0
Power	1.19	1.16	0.03	102.6
Low voltage	9.67	9.39	0.28	103.0
Commercial	5.00	5.08	Δ0.08	98.4
Industrial	13.99	13.63	0.36	102.6
High voltage				
Extra-high voltage	19.00	18.71	0.28	101.5
Wholesale	3.01	1.86	1.15	161.9
Total	31.68	29.96	1.71	105.7

《Main Factors》

<Lighting>

- Increase in air conditioning demand by lower temperature in this winter

<Industrial>

- Increase in demand for machinery sector

(Reference)Average monthly temperature in Hokuriku 3 cities

(°C)

	April	May	June	July	August	September	October	November	December	January	February	March
Actual data	13.6	18.9	20.3	27.2	27.1	22.1	16.8	10.4	4.9	2.3	2.2	8.7
Comparison with the previous year	Δ0.6	Δ0.4	Δ2.0	+1.0	Δ0.3	Δ1.6	Δ1.0	Δ0.6	Δ2.5	Δ1.5	Δ1.7	+1.9

(Note)Hokuriku 3 Cities : Toyama City, Kanazawa City, Fukui City

Generated and Received Power

(Billion kWh,%)

	FY17	FY16	Comparison	
	(A)	(B)	(A)-(B)	(A)/(B)
[Flow rate]	[110.9]	[93.8]	[17.1]	
Hydro	6.97	5.80	1.16	120.1
Thermal	22.43	23.43	Δ1.01	95.7
Nuclear	—	—	—	—
Renewable	0.00	0.00	Δ0.00	95.8
Internally generated	29.40	29.24	0.16	100.5
Purchased power	5.14	3.67	1.47	140.1
Wholesale	Δ3.01	Δ1.86	Δ1.15	161.9
Total	31.50	31.04	0.47	101.5

《Main Factors》

<Hydro>

- Increase in water flow
(Flow Rate 110.9% :
The fifth highest rate ever)

<Thermal>

- Periodic inspection of the large-sized coal-fired thermal power plants

<Purchased power>

- Increase in trading at JEPX and purchase of renewable energy

Summary of Financial Results

(Billion yen,%)

		FY17 (A)	FY16 (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	596.2	542.5	53.7	109.9
	Ordinary income	2.6	2.0	0.6	132.8
	Net income	Δ 0.4	Δ 0.6	0.1	—
Non-consolidated	Operating revenue	549.1	497.6	51.5	110.4
	Ordinary income	Δ 5.6	Δ 3.2	Δ 2.3	—
	Net income	Δ 4.1	Δ 1.8	Δ 2.3	—
Year-end dividend per share		0yen	10yen	Δ10yen	—
Total dividend per share		[0yen]	[35yen]	[Δ35yen]	—

《Main Factors》

- Increase in fuel cost adjustment charges and grant and surcharge of renewable energy

⇒ Our first deficit for the consecutive 2 years since 1994, the starting of our consolidated accounts

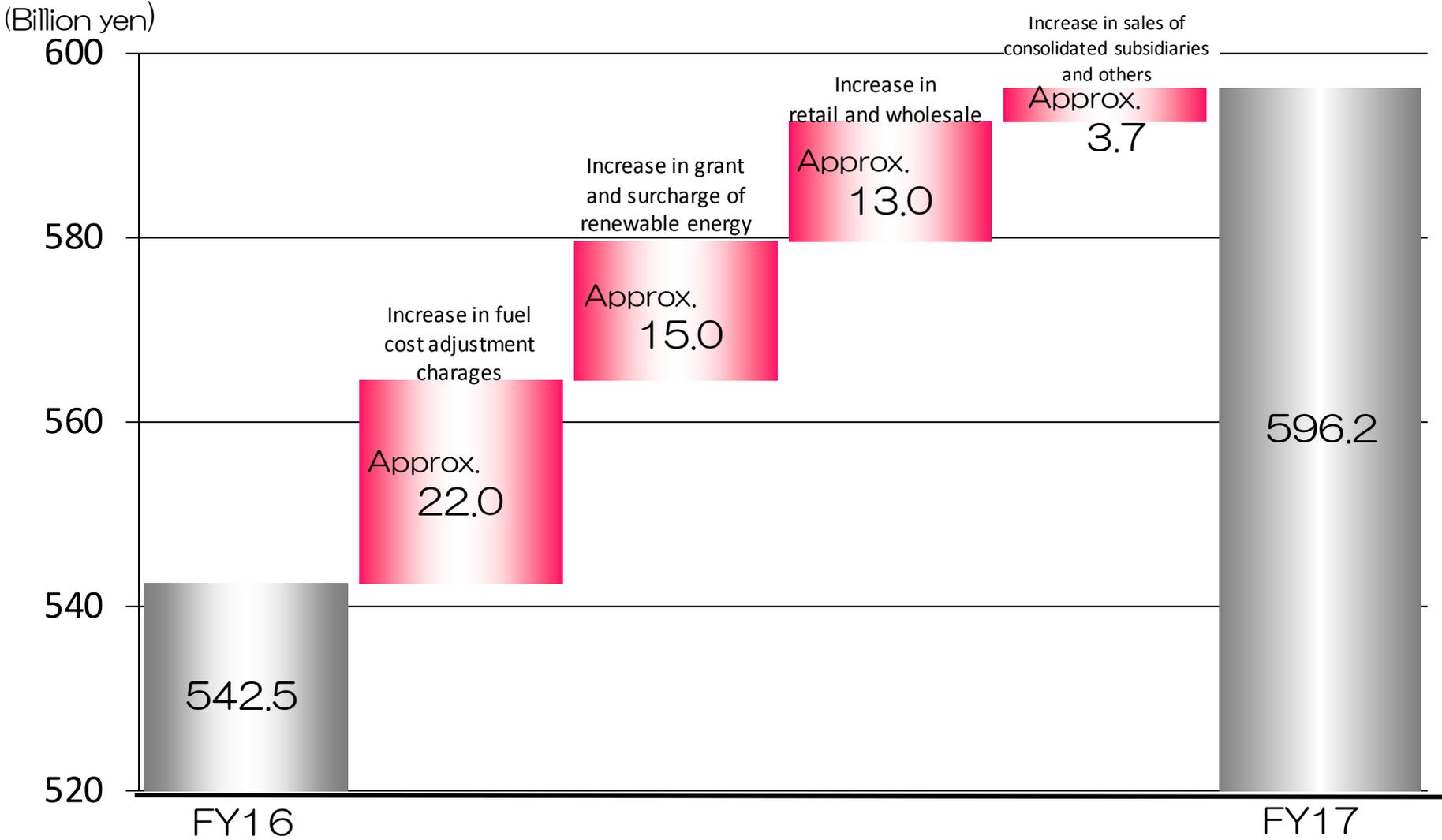
⇒ The biggest deficit for the consecutive 2 years

<The number of consolidated subsidiaries : 14 affiliates and 1 equity method affiliates>

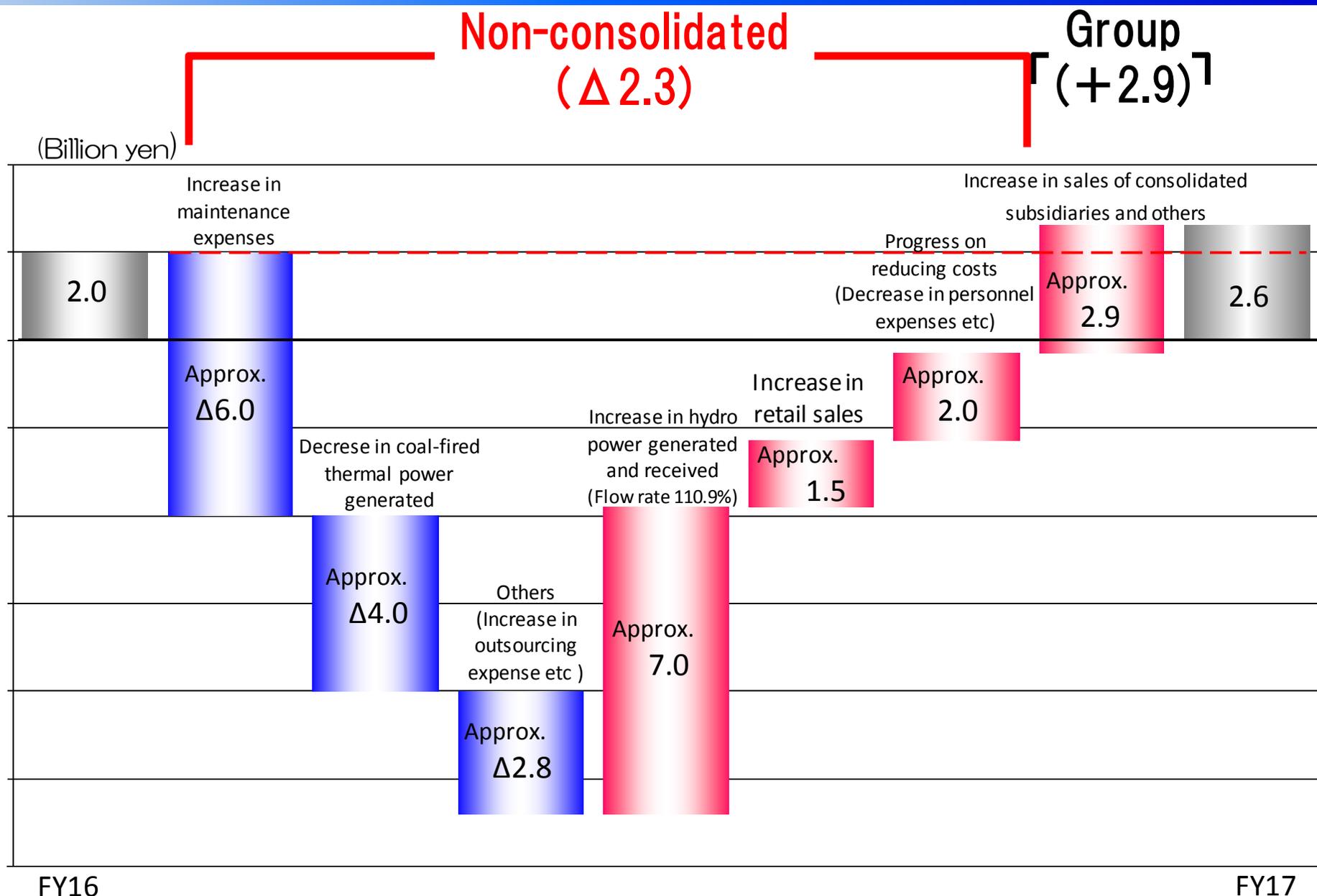
《Year-end dividends》

⇒ We have decided we will pay no year-end dividends due to the difficult financial environment.

Factors contributing to change in Consolidated Operating Revenue



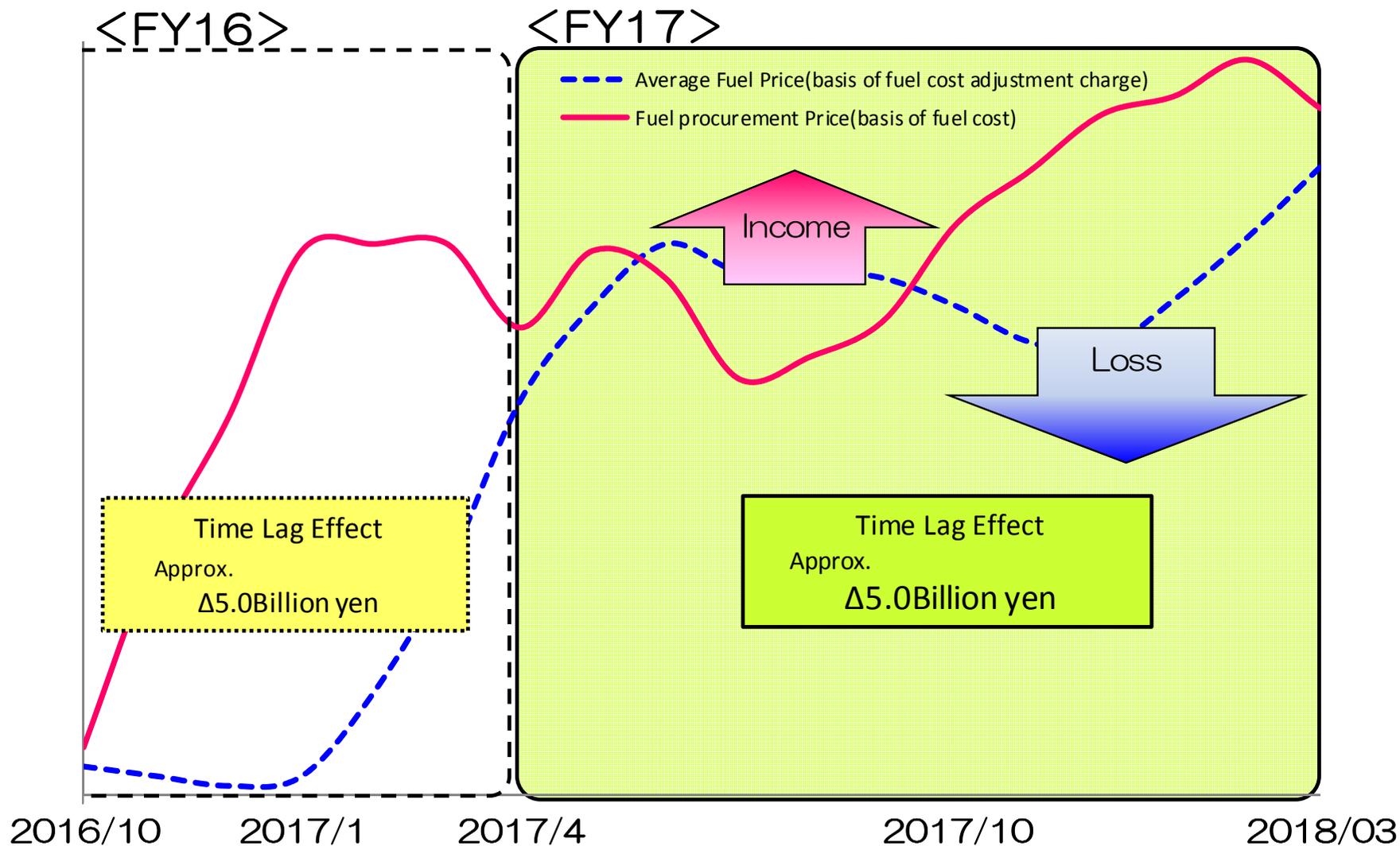
Factors contributing to change in Consolidated Ordinary Income



FY16

FY17

(Reference)Time Lag Effect of Fuel Cost Adjustment System[Actual]



Financial Forecast for FY2018

(Billion kWh, Billion yen,%)

		FY18 Forecast(A)	FY17 Actual(B)	Comparison	
				(A)-(B)	(A)/(B)
Total sales of Electric Power		Approx. 31.5	31.7	Approx. Δ 0.2	99.4
Consolidated	Operating revenues	Approx. 630.0	596.2	Approx. 33.8	105.7
	Ordinary income	Uncertain	2.6	—	—
	Profit attributable to owners of parent	Uncertain	Δ 0.4	—	—
Non-consolidated	Operating revenues	Approx. 585.0	549.1	Approx. 35.9	106.5
	Ordinary income	Uncertain	Δ 5.6	—	—
	Net income	Uncertain	Δ 4.1	—	—

《Main factors》

- Electricity rate revision
- Increase in fuel cost adjustment charges and grant and surcharge of renewable energy

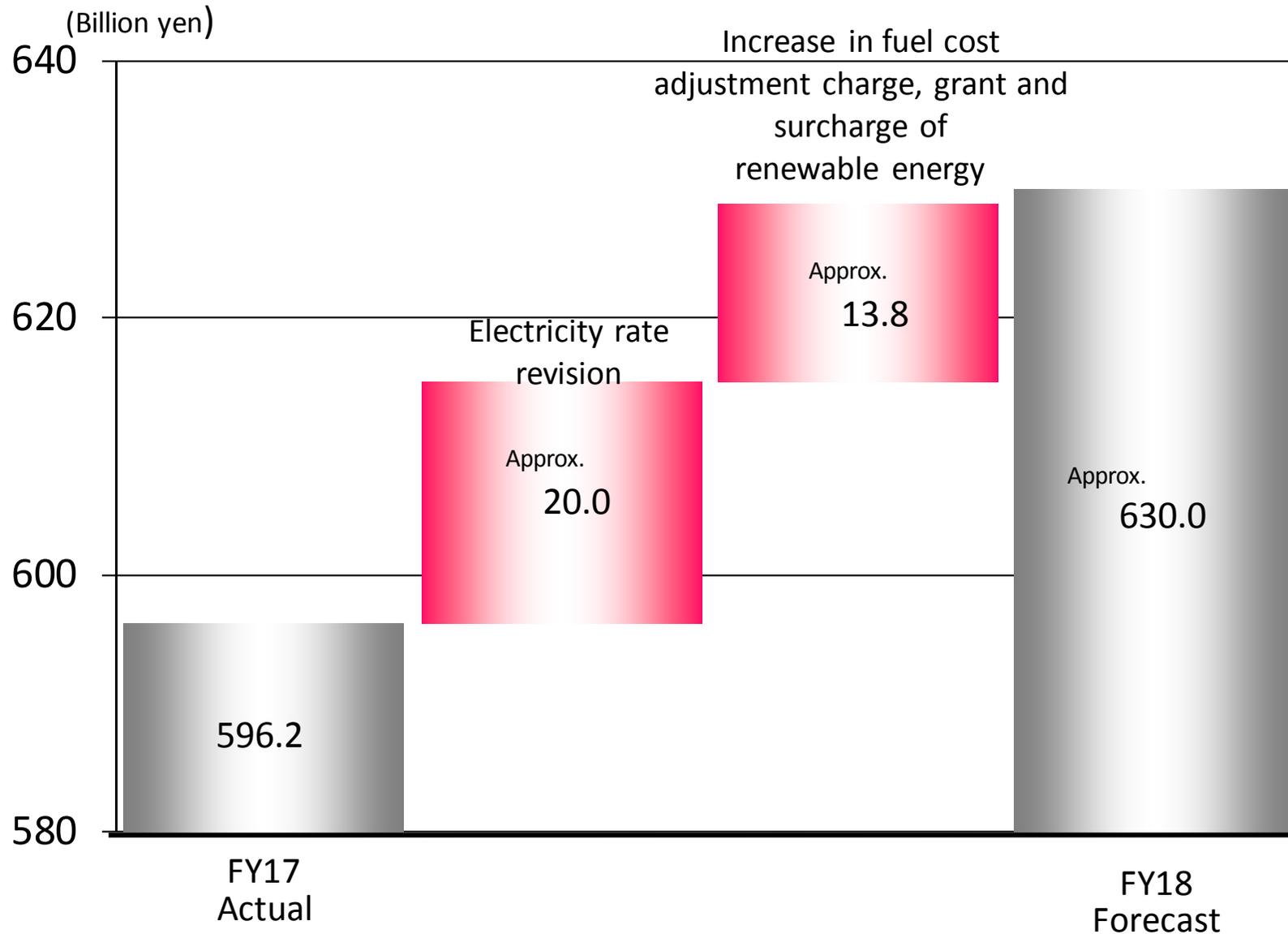
<Key Factors for forecast>

- Currency Rate 110yen/\$
- Crude Oil CIF prices(All Japan) 65\$/b

《Forecast of Income》

⇒ Reasonable forecast can not be made at this point, because of uncertainty of stable supply.

Factors contributing to change in consolidated Operating Revenue [Forecast]



Dividend Forecast for FY2018

➤ Basic Policy

- Our basic policy is to continue stable dividend payment to return profits to shareholders and, at the same time , to enhance the Company's internal reserve to stabilize and strengthen its business base.

➤ Dividends for the FY2018

- No interim dividend is expected to be paid, in order to strengthen our damaged financial base.
- Forecast of Year-end dividend cannot be made at this point, because income forecast is uncertain.

(yen per share)

	Interim	Year-end	Total
FY18(Forecast)	0	Uncertain	Uncertain
FY17	0	0	0

II . Supplemental Material

Outline of Non-consolidated Financial Results

(Billion yen,%)

		FY17 (A)	FY16 (B)	Comparison		Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenues	Electricity Sales(Retail)	472.2	433.9	38.3	108.8	Increase in fuel cost adjustment charges and purchase of renewable energy
	(Renewable Energy Power Promotion Surcharge)	(64.6)	(53.2)	(11.4)	(121.5)	
	Electricity Sales(Wholesale)	38.8	31.0	7.7	124.9	Increase in total sales
	Others	41.5	38.6	2.8	107.5	Increase in grant under act on purchase of renewable energy sourced electricity
	(Grant under Act on Purchase of Renewable Energy Sourced Electricity)	(28.8)	(25.5)	(3.3)	(113.0)	
	[Operating revenues]	[549.1]	[497.6]	[51.5]	[110.4]	
	Total	552.6	503.6	48.9	109.7	
Ordinary expenses	Personnel expenses	49.6	50.9	Δ 1.2	97.5	Decrease in employees salary and allowances
	Fuel expenses	118.9	102.6	16.3	115.9	Rising coal and oil price
	Maintenance expenses	69.0	63.1	5.9	109.5	Increase in maintenance expenses of thermal power plant
	Depreciation expenses	59.1	61.3	Δ 2.1	96.5	
	Purchased power expenses	84.6	69.6	14.9	121.5	Increase in purchase of renewable energy
	Interest paid	9.6	10.3	Δ 0.7	92.5	
	Taxes other than income taxes	30.7	30.2	0.5	101.7	
	Other expenses	136.2	118.5	17.7	114.9	Increase in levy under act on purchase of renewable energy sourced electricity, and outsourcing expenses
	(Levy under Act on Purchase of Renewable Energy Sourced Electricity)	(64.6)	(53.2)	(11.4)	(121.5)	
	Total	558.2	506.9	51.3	110.1	
	Ordinary income	Δ 5.6	Δ 3.2	Δ 2.3	—	
	Provision (reversal) of reserve for fluctuation in water levels	—	Δ 0.6	0.6	—	
	Income taxes	Δ 1.4	Δ 0.7	Δ 0.6	—	
	Net income	Δ 4.1	Δ 1.8	Δ 2.3	—	

Consolidated Balance Sheet(Summary)

(Billion yen)

	FY17 (A)	FY16 (B)	Comparison (A)-(B)	(Note) Related to only Hokuriku Electric Power Company
Fixed assets	1,274.5	1,239.4	35.1	
Electricity business	770.0	786.9	Δ16.9	• Capitalization of construction 47.2 • Depreciation Δ59.1
Others	504.5	452.4	52.0	• Increase the amount of construction in progress 34.8
Current assets	314.1	278.6	35.5	Cash and Stores 24.2
Total assets	1,588.7	1,518.0	70.6	
Debt with interest	990.0	952.1	37.8	Straight bond 20.0 Long-term debt loan 19.0
Other debt	250.2	217.4	32.7	Accounts payable trade 11.0, Accounts payable others 10.2
Reserve for fluctuation in water levels	20.8	20.8	-	
Total liabilities	1,261.1	1,190.4	70.6	
Total net assets	327.6	327.6	0	
[Equity ratio]	[19.8%]	[20.8%]	[Δ1.0%]	
Total of liabilities and net assets	1,588.7	1,518.0	70.6	

Consolidated Statement of Cash Flow(Summary)

(Billion yen)

	FY17 (A)	FY16 (B)	Comparison (A)-(B)
I .Operating activities①	82.2	63.5	18.7
Income before income taxes and minority interests	2.6	2.6	0.0
Depreciation and amortization	62.7	64.8	Δ2.0
Others	16.8	Δ3.9	20.7
II .Investing activities②	Δ91.2	Δ104.2	12.9
Capital expenditure	Δ95.3	Δ105.1	9.8
Long-term investment and others	4.0	0.9	3.1
III .Financing activities	35.4	21.3	14.0
Loan, bond, etc	37.7	31.9	5.7
Purchases and sales of own stock	Δ0.0	Δ0.0	Δ0.0
Cash dividends paid③	Δ2.3	Δ10.6	8.2
IV .Net increase in cash and cash equivalents (I + II + III)	26.4	Δ19.3	45.8
○ Free cash flow(①+②+③)	Δ11.3	Δ51.3	40.0

(Reference) Key Factor and Sensitivity

<Key Factor>

		FY17 (A)	FY16 (B)	Comparison (A)-(B)
Total electricity sales	(Billion kWh)	31.68	29.96	1.71
Currency rate	(yen/\$)	110.9	108.3	2.6
Crude Oil CIF prices[All Japan]	(\$/b)	57.0	47.5	9.5
Flow rate	(%)	110.9	93.8	17.1

<Sensitivity>

(Billion yen/year)

		FY17 (A)	FY16 (B)	Comparison (A)-(B)
Currency rate	(1yen/\$)	Approx.1.0	Approx.0.8	Approx.+0.2
Crude Oil CIF prices[All Japan]	(1 \$/b)	Approx.0.5	Approx.0.5	Approx. 0.0
Flow rate	(1%)	Approx.0.5	Approx.0.4	Approx.+0.1
Nuclear utilization ratio	(1%)	Approx.0.5	Approx.0.4	Approx.+0.1

<Consumption of Fossil Fuels>

		FY17 (A)	FY16 (B)	Comparison (A)-(B)
Coal (10,000t)		659	691	Δ31
Heavy Oil (10,000kl)		39	46	Δ6
Crude Oil (10,000kl)		33	27	5

(Reference) Data related to Financial Results (1)

<Profit and loss>

(Billion yen)

		FY13	FY14	FY15	FY16	FY17
Operating revenue	[Consolidated]	509.6	532.7	544.5	542.5	596.2
	[Non-consolidated]	495.6	513.0	494.1	497.6	549.1
Operating income	[Consolidated]	19.8	39.9	38.1	10.5	14.8
	[Non-consolidated]	15.7	35.2	28.7	2.5	5.3
Ordinary income	[Consolidated]	9.8	22.3	28.0	2.0	2.6
	[Non-consolidated]	7.3	18.1	18.9	Δ3.2	Δ5.6
Net income	[Consolidated]	2.5	8.9	12.8	Δ0.6	Δ0.4
	[Non-consolidated]	1.6	6.6	8.7	Δ1.8	Δ4.1

(Note) Figures after FY15 consolidated Net income is "Profit attributable to owners of parent"

<Balance sheet>

(Billion yen)

		FY13	FY14	FY15	FY16	FY17
Total assets	[Consolidated]	1,440.1	1,479.4	1,509.3	1,518.0	1,588.7
	[Non-consolidated]	1,407.9	1,419.4	1,458.9	1,460.6	1,526.5
Net assets	[Consolidated]	324.8	344.2	334.0	327.6	327.6
	[Non-consolidated]	300.5	302.8	297.1	286.6	280.5
Equity ratio	[Consolidated]	22.6	22.7	21.5	20.8	19.8
	[Non-consolidated]	21.3	21.3	20.4	19.6	18.4

(Reference) Data related to Financial Results (2)

<Capital investment>

(Billion yen)

		FY13	FY14	FY15	FY16	FY17
Capital investment	[Consolidated]	64.6	118.9	99.5	94.8	109.0
	[Non-consolidated]	61.4	115.7	97.9	90.5	103.6

(Note) Figures in Non-consolidated are only for electricity business

<Capital investment (Consolidated) >

(Billion yen)

		FY16	FY17
	Power sources	60.6	57.7
	Distribution	24.1	25.7
	Others	8.5	22.8
Electric power business		93.3	106.3
Others		2.9	4.5
Subtotal		96.2	110.8
Elimination		Δ1.3	Δ1.7
Total		94.8	109.0

《Main factors》

- Construction of Toyama Shinko Thermal Power Station LNG fired Unit 1 (Operation scheduled from Nov.2018)
- Safety improvement measures for Shika Nuclear Power Plant

Regarding Forward-Looking Statements(Performance Projections)

Certain statements in this 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.

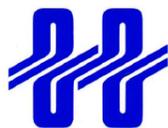
Contact Information for Inquiries

Finance Team Finance & Accounting Dept Hokuriku Electric Power Company

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

TEL : +81-76-405-3336, 3341 (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