

---

# **FY2021 2nd Quarter Financial Results**

---

Oct 28,2021(Thu)



Hokuriku Electric Power Company

# Contents

---

## I . Outline of Financial Results for FY2021 2nd Quarter

- Electricity Sales .....02
- Generated Power .....03
- Summary of Consolidated Financial Results .....04
- Financial Forecast and Dividend Forecast for FY2021 .....07
- Summary of Financial Results by Segment .....09
- Consolidated Balance Sheet (Summary) .....10
- Consolidated Statement of Cash Flow (Summary) .....11

## II . Supplemental Material

- (Reference) Key Factor and Capital Investment .....13
- (Reference) Time Lag Effect of Fuel Cost Adjustment System [Actual] .....14
- (Reference) Data related to Financial Results .....15

# **I . Outline of Financial Results for FY2021 2nd Quarter**

# Electricity Sales

(Billion kWh,%)

《 Main Factors 》

	FY21/2Q (A)	FY20/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
Retail	13.07	12.12	0.95	107.9
Lighting	3.37	3.56	Δ0.19	94.8
Power	9.70	8.57	1.14	113.3
Wholesale	4.48	3.50	0.98	127.9
Total	17.55	15.62	1.93	112.4

< Lighting >  
 · Decrease in cooling demand  
 <Power>  
 · Increase in contract demand.  
 · Increase due to a decrease in factory operations in the previous year

<Wholesale>  
 · Increase in trading at JEPX

<Excludes sales related to the power transmission and distribution business>

(Reference)Average monthly temperature in Hokuriku 3 cities

(°C)

	April	May	June	July	August	September
Actual data	12.7	17.9	22.5	26.8	27.0	23.4
Comparison with the previous year	+1.6	Δ0.7	Δ0.7	+2.6	Δ1.9	Δ1.2

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

# Generated Power

《Hydro》

Increase in water flow

《Thermal》

Increase in coal-fired thermal power generated

(Billion kWh,%)

	FY21/2Q (A)	FY20/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow rate]	[107.0]	[96.8]	[10.2]	
Hydro	3.99	3.91	0.08	102.0
Thermal	10.75	9.47	1.28	113.6
Nuclear	—	—	—	—
Renewable	0.00	0.00	0.00	103.4
Total	14.75	13.38	1.36	110.2

# Summary of Consolidated Financial Results

## 《Consolidated Financial Results》

· Decrease in Revenues and profits for the first time in 5 years.

## 《Interim dividend for FY2021》

· Based on the fact that we secured a certain level of Income as the 2nd quarter financial results, we have decided we will pay interim dividend of 7.5 yen per share.

(Billion yen,%)

		FY21/2Q (A)	FY20/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Sales [Operating Revenue]	271.6	307.4 (250.2)	Δ 35.8 (21.3)	88.3 (108.5)
	Ordinary Income	9.1	25.1	Δ 15.9	36.5
	Net Income Attributable to Owners of Parent	5.6	17.2	Δ 11.6	32.6
Interim dividend per share		7.5yen	5yen		

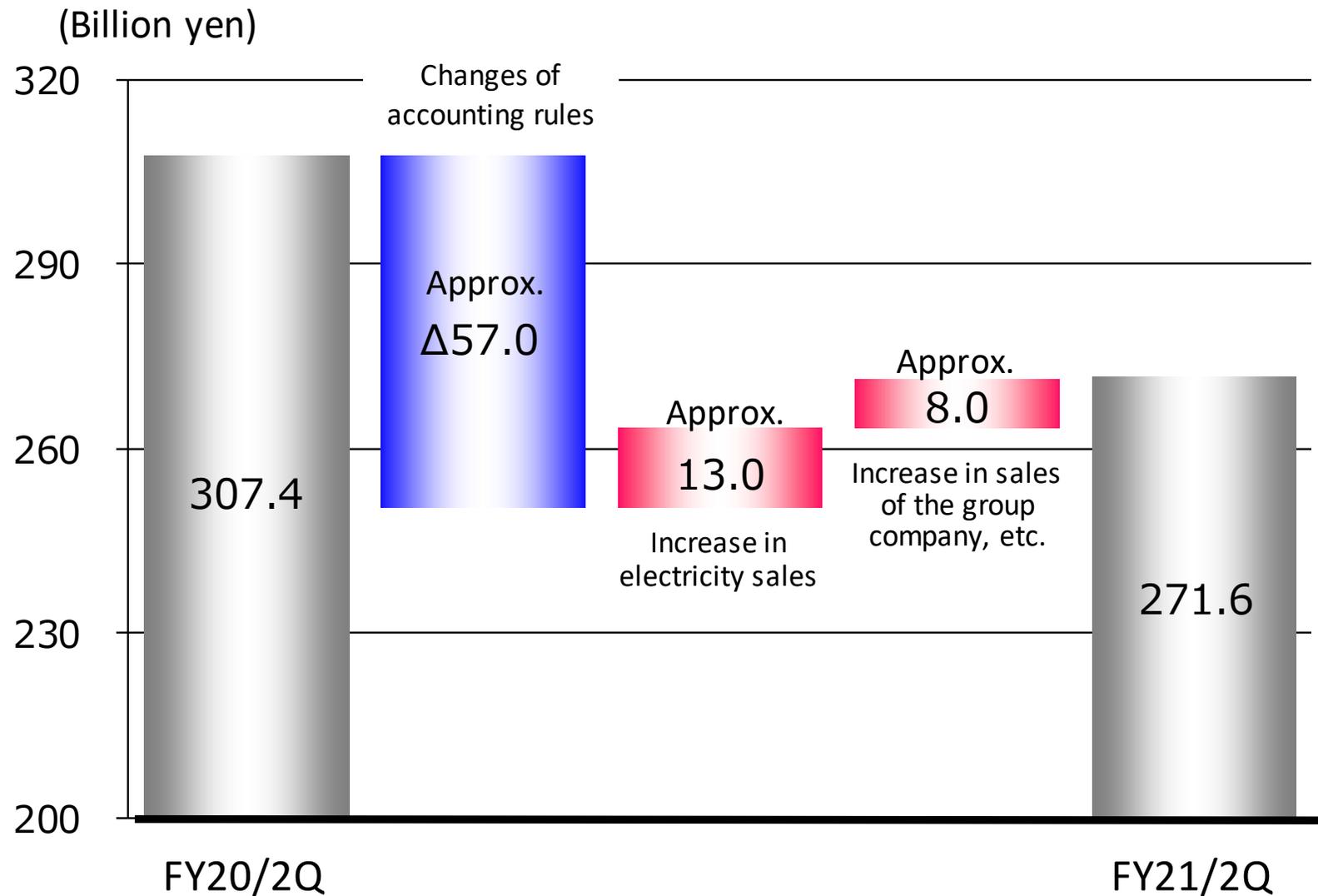
## 《 Main Factor 》

<Consolidated Sales>  
· Offsetting of levy and surcharge of renewable energy and expenses due to changes in accounting rules  
(No impact on Income)

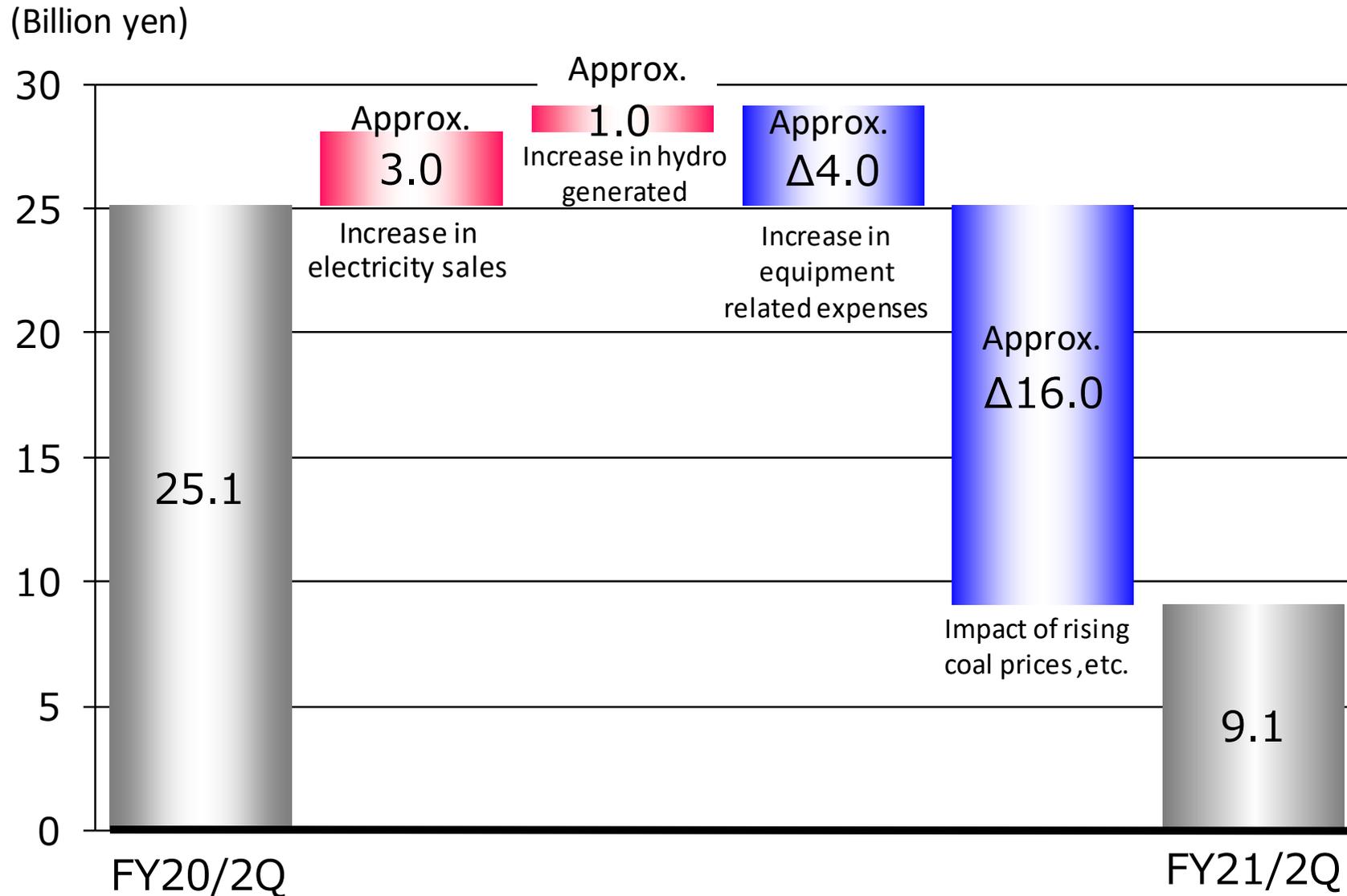
Key Factor	Currency rate (Yen/\$)	109.8	106.9	2.9
	Coal CIF prices[All Japan] (\$/b)	70.3	36.5	33.8
	Crude Oil CIF prices[All Japan] (\$/t)	123.7	77.9	45.8

(Note) Since 2021, the accounting treatment of levies and grants under act on purchase of renewable energy sourced electricity has been changed (cancellation of revenue recording) due to changes of the accounting rules for electric power business. The figures in parentheses are the figures after offsetting of levies and grants under act on purchase of renewable energy sourced electricity for FY2020, and deducted and compared. [reference] The number of consolidated subsidiaries : 22 affiliates and 8 equity method affiliates

# Changing factor of Consolidated Sales



# Changing factor of Consolidated Ordinary Income



# Financial Forecast and Dividend Forecast for FY2021

## 《Financial Forecast》

- Sales revise upward due to increase in electricity sales.
- Ordinary income and Net income revise downward due to the recent rise in oil and coal prices.

## 《Dividend forecast》

- Plan to pay year-end dividend of 7.5 yen per share.

(Billion kWh, Billion yen,%)

	FY21 Forecast (A)	Previous Forecast (Announced on July 29 ) (B)	Comparison
			(A)-(B)
Total sales of Electricity Power	34.0	32.5	1.5

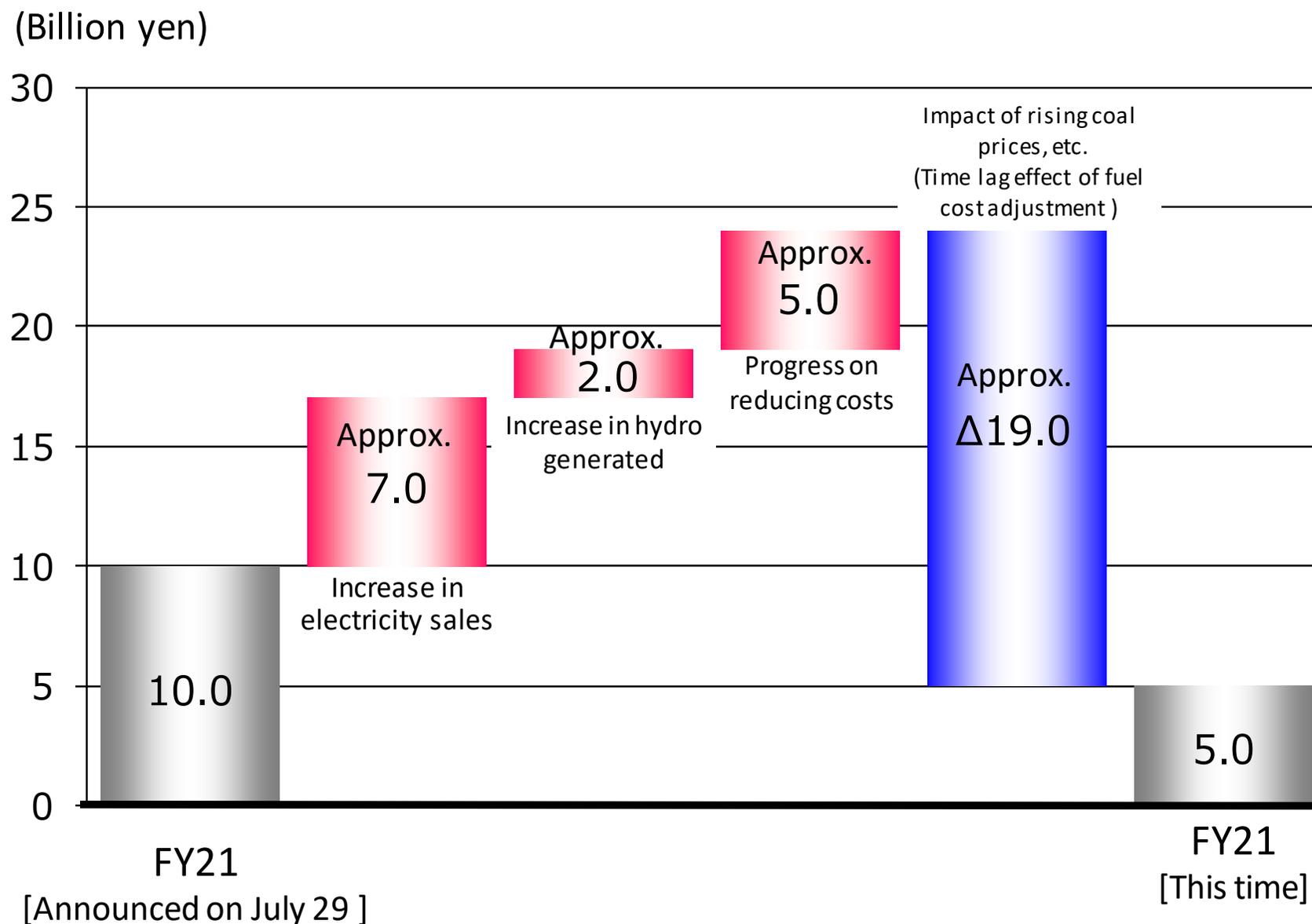
<Excludes sales related to the power transmission and distribution business from total sales of electricity power>

Consolidated	Sales [Operating Revenue]	580.0	520.0	60.0
	Ordinary Income	5.0	10.0	Δ 5.0
	Net Income Attributable to Owners of Parent	3.0	5.0	Δ 2.0

Year-end dividend per share	7.5yen	7.5yen	
-----------------------------	--------	--------	--

Key Factor	Currency rate (Yen/\$)	110	110	—
	Coal CIF prices[All Japan] (\$ / b)	75	60	15
	Crude Oil CIF prices[All Japan] (\$ / t)	165	100	65

## Changing factor of the Forecast of Consolidated Ordinary Income for FY2021



# Summary of Financial Results by Segment

(Billion yen, %)

	2021/2Q (A)	2020/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
<b>Sales</b> <sup>*1</sup>	<b>271.6</b>	<b>307.4</b>	<b>Δ 35.8</b>	<b>88.3</b>
Electric power generation and sales business	244.2	280.5 (250.2)	Δ 36.2 (18.5)	87.1 (108.2)
Electric power transmission and distribution business	79.8	75.1 (72.7)	4.7 (7.1)	106.3 (109.8)
Others	54.9	49.4	5.4	111.0
Adjustment amount <sup>*2</sup>	Δ 107.4	Δ 97.6	Δ 9.7	—
<b>Ordinary Income</b>	<b>9.1</b>	<b>25.1</b>	<b>Δ 15.9</b>	<b>36.5</b>
Electric power generation and sales business	2.9	20.1	Δ 17.2	14.7
Electric power transmission and distribution business	3.8	2.3	1.5	166.5
Others	4.3	4.3	0.0	100.5
Adjustment amount <sup>*2</sup>	Δ 2.0	Δ 1.7	Δ 0.3	—

## 《 Main Factors 》

- Decrease in changes of accounting rules

- Increase in transmission revenue
- Increase in sold power to other utilities and suppliers, etc.

- Increase in contract work

- Increase in electricity sales
- Increase in equipment related expenses
- Impact of rising coal prices

- Decrease in equipment related expenses

\*1: Since 2021, the accounting treatment of levies and grants under act on purchase of renewable energy sourced electricity has been changed (cancellation of revenue recording) due to the changes of the accounting rules for electric power business. The figures in parentheses are the figures after offsetting of levies and grants under act on purchase of renewable energy sourced electricity for FY2020, and deducted and compared.

\*2: The elimination of internal transactions.

# Consolidated Balance Sheet (Summary)

(Billion yen)

	FY21/2Q (A)	FY20 (B)	Comparison (A)-(B)	Main reason of increase and decrease (Note) Related to only Hokuriku Electric Power Company
Non-current assets	1,368.9	1,350.2	18.6	
Electricity business	873.6	868.2	5.4	·Capitalization of construction 21.4 ·Depreciation Δ14.8
Others	495.3	482.0	13.2	·Construction in progress 29.5
Current assets	272.8	245.3	27.4	·Cash and Stores 5.6
Total assets	1,641.7	1,595.6	46.1	
Inreresst-bearing debt	1,030.2	974.8	55.3	·Straight bond 40.0
Other debt	227.2	244.3	Δ17.1	·Accrued expenses Δ4.5 ·Accounts payable - other Δ3.4
Reserve for fluctuation in water levels	20.6	20.6	-	
Total liabilities	1,278.1	1,239.8	38.2	
Net assets	363.6	355.7	7.9	·Net income 3.1
[Equity ratio]	[21.1%]	[21.2%]	[Δ0.1%]	
Total of liabilities and net assets	1,641.7	1,595.6	46.1	

# Consolidated Statement of Cash Flow (Summary)

(Billion yen)

	FY21/2Q (A)	FY20/2Q (B)	Comparison (A)-(B)
<b>I .Operating activities①</b>	6.7	16.4	Δ9.6
Net Income before income taxes	9.1	25.1	Δ15.9
Depreciation and amortization	27.2	26.9	0.2
Others	Δ29.6	Δ35.6	6.0
<b>II .Investing activities②</b>	Δ63.3	Δ48.5	Δ14.8
Capital investment	Δ54.1	Δ42.8	Δ11.3
Long-term investment and others	Δ9.1	Δ5.6	Δ3.4
<b>III .Financing activities</b>	52.9	8.6	44.2
Loan, bond, etc	55.3	11.0	44.3
Purchases and sales of treasury stock	Δ0.0	0.0	Δ0.0
Cash dividends paid③	Δ2.4	Δ2.3	Δ0.0
<b>IV .Net increase in cash and cash equivalents ( I + II + III )</b>	Δ3.6	Δ23.4	19.7
○ Free cash flow (① + ② + ③)	Δ59.0	Δ34.4	Δ24.5

## **II . Supplemental Material**

---

# (Reference) Key Factor and Capital Investment

## <Key Factor>

		FY21/2Q (A)	FY20/2Q (B)	Comparison (A)-(B)
Total electricity sales	(Billion kWh)	17.55	15.62	1.93
Currency rate	(yen/\$)	109.8	106.9	2.9
Crude Oil CIF prices[All Japan]	(\$/b)	70.3	36.5	33.8
Coal CIF prices[All Japan]	(\$/t)	123.7	77.9	45.8
Flow rate	(%)	107.0	96.8	10.2

## <Consumption of Fossil Fuels>

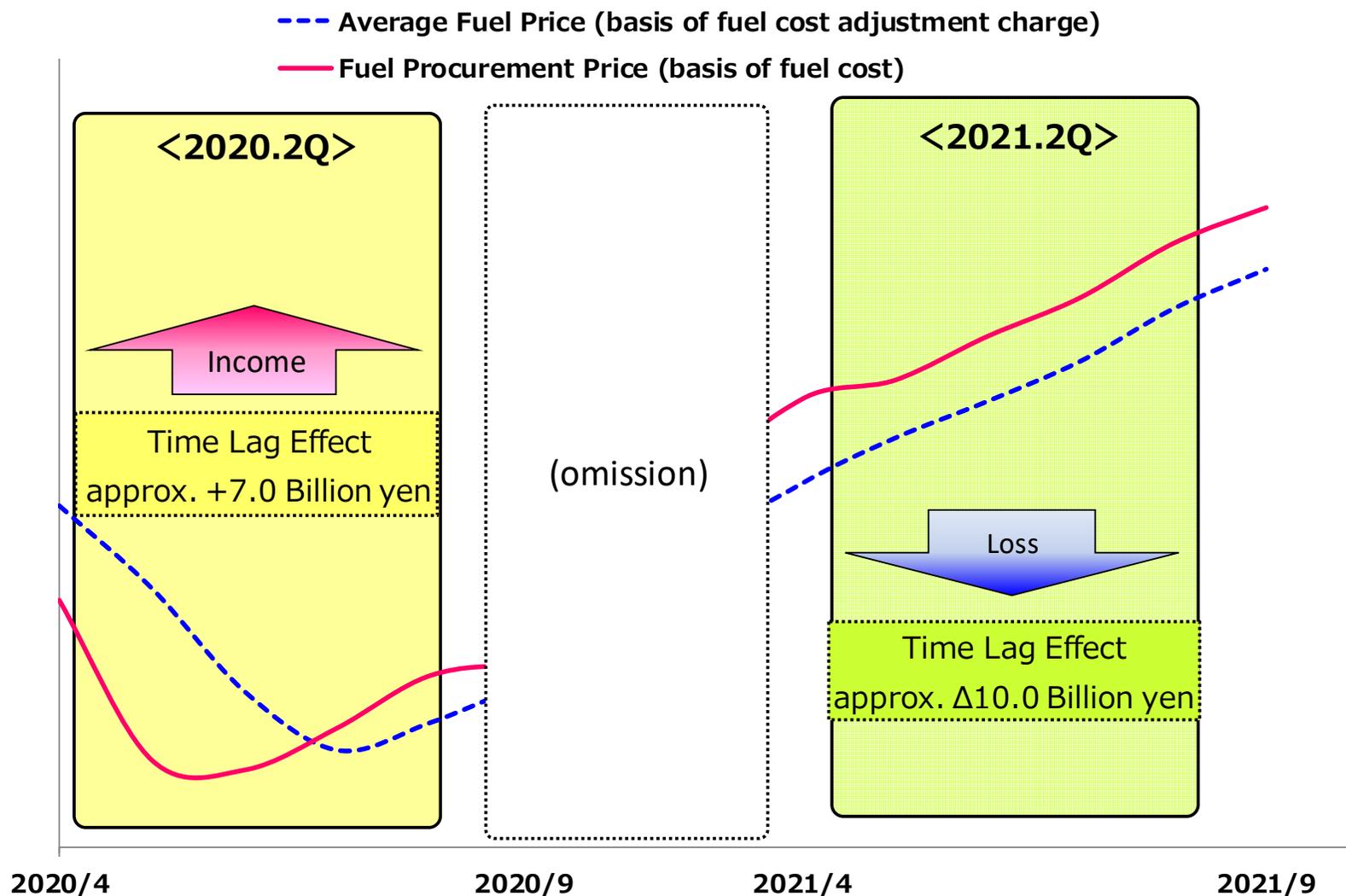
		FY21/2Q (A)	FY20/2Q (B)	Comparison (A)-(B)
Coal	(10,000t)	313	267	47
Heavy Oil	(10,000kl)	3	1	2
Crude Oil	(10,000kl)	0	—	0
LNG	(10,000t)	19	25	Δ6

## <Capital investment>

(Billion yen)

	FY16	FY17	FY18	FY19	FY20	FY21 Forecast
Capital investment [Consolidated]	94.8	109.0	102.9	76.5	84.2	Approx.120.0

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



(Note) Fluctuation in fuel prices causes time lag between payment of fuel cost and reception of fuel cost adjustment charges, resulting in temporary increase or decrease in income. Time Lag Effect above is this temporary increase or decrease, if time lag dose not take place.

# (Reference) Data related to Financial Results

## <Consolidated Income and loss>

(Billion yen)

	FY16	FY17	FY18	FY19	FY20
Sales	542.5	596.2	622.9	628.0	639.4
Operating Income	10.5	14.8	12.8	29.4	17.8
Ordinary Income	2.0	2.6	6.6	23.2	12.3
Net Income	Δ0.6	Δ0.4	2.5	13.4	6.8

## <Consolidated Balance sheet>

(Billion yen,%)

	FY16	FY17	FY18	FY19	FY20
Total assets	1,518.0	1,588.7	1,573.1	1,592.9	1,595.6
Net assets	327.6	327.6	326.9	336.4	355.7
Equity ratio	20.8	19.8	19.9	20.2	21.2

## 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 : +81-76-405-3336,3340(Direct)

FAX : +81-76-405-0127



# Hokuriku Electric Power Company

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