
FY2018 2nd Quarter Financial Results

Oct 31, 2018(Wed)



Hokuriku Electric Power Company

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I . Outline of Financial Results for FY2018 2nd Quarter

Electricity Sales

(Billion kWh,%)

	FY18/2Q (A)	FY17/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
Retail	12.85	13.51	Δ0.66	95.1
Lighting	3.50	3.48	0.02	100.5
Power	9.35	10.03	Δ0.68	93.2
Wholesale	2.36	1.46	0.90	161.5
Total	15.21	14.97	0.24	101.6

《 Main Factors 》

< Lighting >
 · Increase in demand for air conditioner due to hot summer

< Power >
 · Decrease in contract demand

< Wholesale >
 · Increase in trading at JEPX

(Reference) Average monthly temperature in Hokuriku 3 cities

(°C)

	April	May	June	July	August	September
Actual data	14.2	18.3	22.3	28.4	28.2	22.4
Comparison with the previous year	+0.6	Δ0.6	+2.0	+1.2	+1.1	+0.3

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

Generated and Received Power

(Billion kWh,%)

	FY18/2Q	FY17/2Q	Comparison	
	(A)	(B)	(A)-(B)	(A)/(B)
[Flow rate]	[104.6]	[104.9]	[Δ 0.3]	
Hydro	3.95	3.99	Δ0.04	99.1
Thermal	9.74	9.29	0.45	104.9
Nuclear	—	—	—	—
Renewable	0.00	0.00	Δ0.00	88.6
Internally generated	13.70	13.28	0.41	103.1
Purchased power	2.69	2.84	Δ0.14	95.0
Wholesale	Δ2.36	Δ1.46	Δ0.90	161.5
Total	14.02	14.65	Δ0.62	95.7

《 Main Factors 》

<Thermal>

· Increase in coal-fired thermal power generated by the large-sized units

<Purchased power>

· Decrease in trading at JEPX

Summary of Financial Results

(Billion yen,%)

		FY18/2Q (A)	FY17/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Operating revenue	307.2	286.2	20.9	107.3
	Ordinary Profit	14.8	2.5	12.2	578.4
	Profit attributable to owners of parent	9.9	0.9	8.9	1,007.1
Non-consolidated	Operating revenue	286.9	265.2	21.7	108.2
	Ordinary Profit	14.0	0.1	13.9	8,027.6
	Profit	10.4	0.3	10.1	3,208.4
Interim dividend per share		0 yen	0 yen	—	—

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

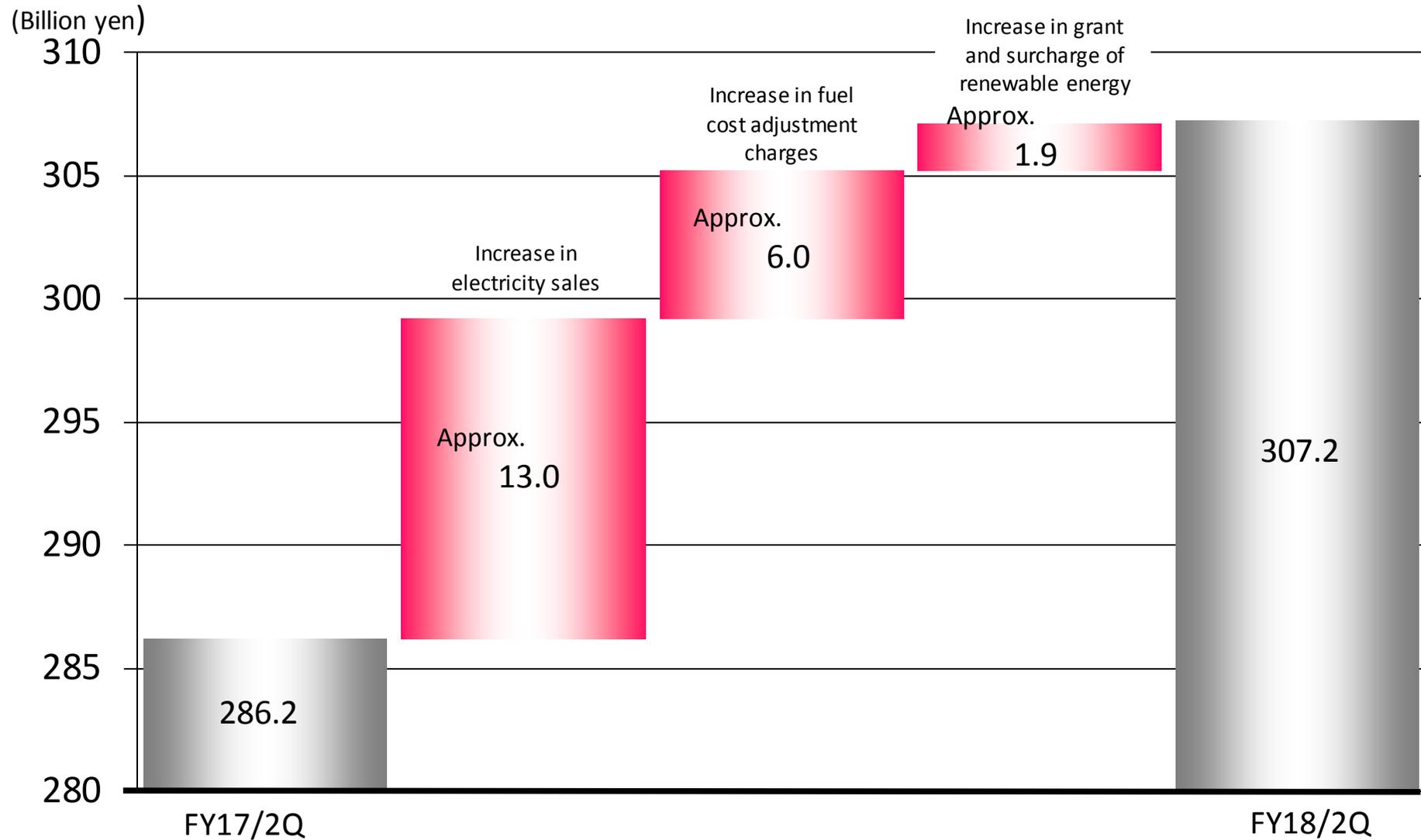
《 Main Factors 》

- Electricity rate revision
- Increase in electricity sales and fuel cost adjustment charges etc

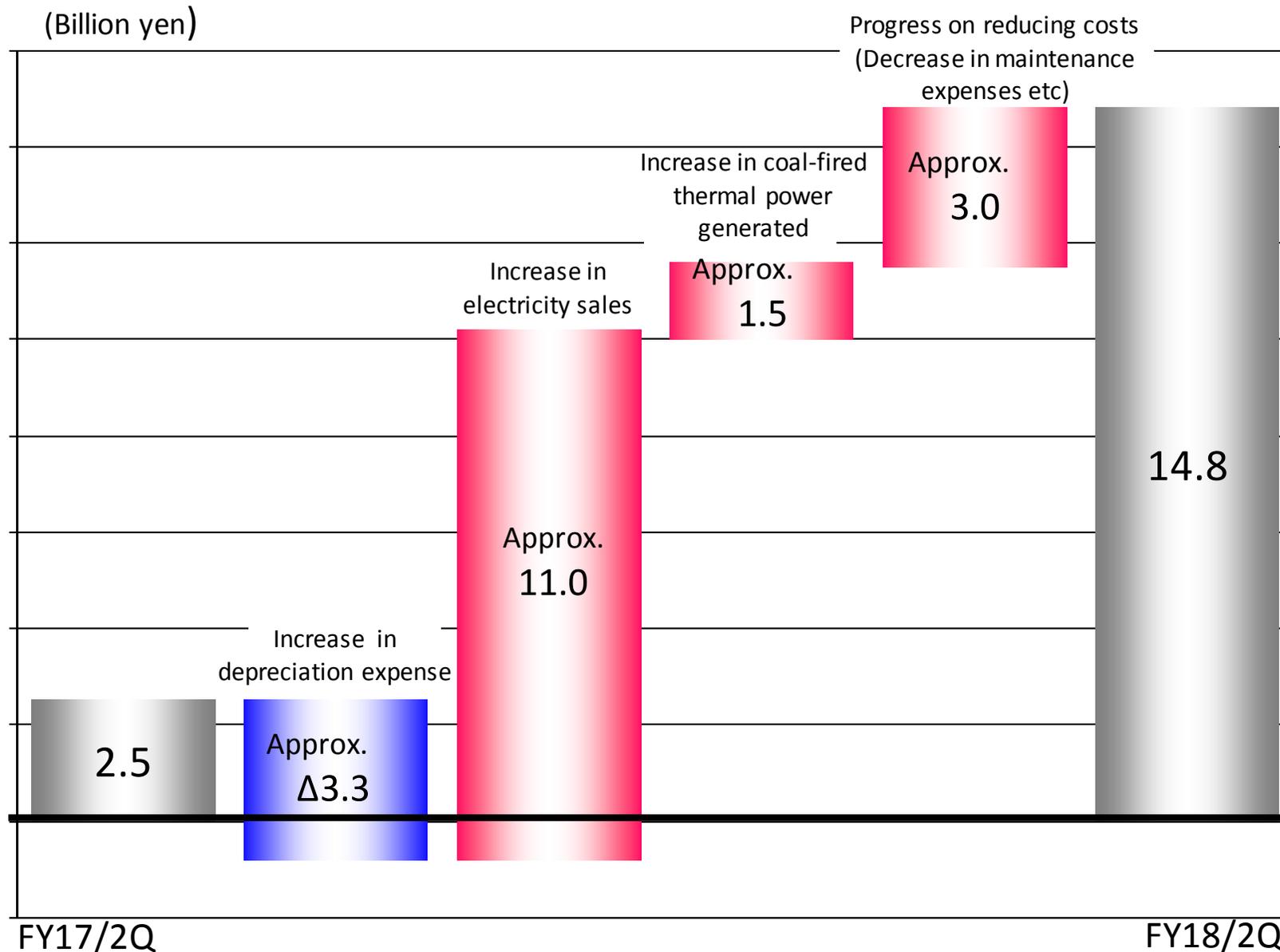
《Interim dividend for FY2018》

- We have decided we will pay no interim dividend in order to reinforce the damaged financial base.

Changing factor of Consolidated Operating Revenue



Changing factor of Consolidated Ordinary Profit



Financial Forecast and Dividend Forecast for FY2018

(Billion kWh, Billion yen)

		FY18 Forecast(A)	FY18 Forecast as of 7/26(B)	Comparison (A)-(B)		FY17 Actual
Total sales of Electric Power		Approx. 30.5	Approx. 31.5	Approx. Δ 1.0	《 Main Factors 》 ・ Decrease in wholesale	31.7
Consolidated	Operating revenue	Approx. 630.0	Approx. 630.0	—		・ Decrease in electricity sales ・ Increase in fuel cost adjustment charges etc
	Ordinary Profit	Uncertain	Uncertain	—	2.6	
	Profit attributable to owners of parent	Uncertain	Uncertain	—	Δ 0.4	
Non- consolidated	Operating revenue	Approx. 585.0	Approx. 585.0	—	<Key Factors for forecast> ・ Currency Rate 113 yen/\$ ・ Crude Oil CIF prices (All Japan) 77\$/b	549.1
	Ordinary Profit	Uncertain	Uncertain	—		Δ 5.6
	Profit	Uncertain	Uncertain	—		Δ 4.1
Year-end dividend per share		0 yen	Uncertain	—		0 yen

《Forecast of profit》

- Reasonable forecast can not be made at this point, because we can not foresee restoration time of Nanao Ohta Thermal Power Station Unit 2 and restart of Shika Nuclear Power Station.

《Dividend forecast》

- After comprehensively considering the difficult business situation, such as uncertainty of restart of Shika Nuclear Power Station and Nanao Ohta Thermal Power Station, we plan to pay no year-end dividend.

Outline of Non-consolidated Financial Results

(Billion yen,%)

		FY18/2Q (A)	FY17/2Q (B)	Comparison		Main reason of increase and decrease
				(A)-(B)	(A)/(B)	
Ordinary revenue	Electricity Sales(Retail)	233.5	224.4	9.0	104.0	Electricity rate revision and increase in fuel cost adjustment charges
	(Renewable Energy Power Promotion Surcharge)	(31.5)	(29.9)	(1.6)	(105.4)	
	Electricity Sales(Wholesale)	26.0	18.2	7.7	142.4	Increase in wholesale
	Others	30.4	24.9	5.5	122.2	Increase in transmission revenue
	[Operating revenues]	[286.9]	[265.2]	[21.7]	[108.2]	
	Total	289.9	267.6	22.2	108.3	
Ordinary expense	Personnel expenses	24.4	25.2	Δ 0.7	97.1	Decrease in retirement benefits
	Fuel expenses	56.0	47.9	8.1	117.0	Rising fuel price
	Maintenance expenses	33.4	34.8	Δ 1.4	96.0	Decrease in maintenance expenses related to equipment in general
	Depreciation expenses	32.6	29.3	3.3	111.4	Increase due to trial run of Toyama Shinko Thermal Power Station LNG Unit1
	Purchased power expenses	47.4	47.5	Δ 0.1	99.7	
	Interest paid	4.5	4.9	Δ 0.3	92.0	
	Taxes other than income taxes	15.1	14.9	0.2	101.7	
	Other expenses	61.9	62.6	Δ 0.7	98.9	Decrease in overall expenses
	(Levy under Act on Purchase of Renewable Energy Sourced Electricity)	(31.5)	(29.9)	(1.6)	(105.4)	
	Total	275.8	267.4	8.3	103.1	
	Ordinary profit	14.0	0.1	13.9	8,027.6	
	Provision (reversal) of reserve for fluctuation in water levels	—	—	—	—	
	Income taxes	3.6	Δ 0.1	3.7	—	
	profit	10.4	0.3	10.1	3,208.4	

Consolidated Balance Sheet (Summary)

(Billion yen)

	FY18/2Q (A)	FY17 (B)	Comparison (A)-(B)	Main reason of increase and decrease (Note) Related to only Hokuriku Electric Power Company
Non-current assets	1,301.4	1,281.2	20.1	
Electricity business	821.0	770.0	50.9	• Capitalization of construction 69.9 • Depreciation Δ31.0
Others	480.3	511.2	Δ30.8	• Decrease the amount of construction in progress Δ35.3
Current assets	282.4	307.4	Δ25.0	• Cash and Stores Δ33.1
Total assets	1,583.8	1,588.7	Δ4.8	
Debt with interest	989.3	990.0	Δ0.6	
Other debt	234.9	250.2	Δ15.3	• Accounts payable-others Δ10.1, Accrued expenses Δ8.9
Reserve for fluctuation in water levels	20.8	20.8	-	
Total liabilities	1,245.1	1,261.1	Δ15.9	
Total net assets	338.7	327.6	11.0	• Profit 10.4
[Equity ratio]	[20.6%]	[19.8%]	[0.8%]	
Total of liabilities and net assets	1,583.8	1,588.7	Δ4.8	

(Note) FY17 shows figures after transfer of deferred tax assets from current assets to non-current assets, in accordance with “Partial Amendments to Accounting Standard for Tax Effect”.

Consolidated Statement of Cash Flow (Summary)

(Billion yen)

	FY18/2Q (A)	FY17/2Q (B)	Comparison (A)-(B)
I .Operating activities①	19.6	26.3	Δ6.7
Profit before income taxes	14.8	2.5	12.2
Depreciation and amortization	34.5	31.1	3.3
Others	Δ29.7	Δ7.3	Δ22.4
II .Investing activities②	Δ50.9	Δ46.1	Δ4.8
Capital expenditure	Δ52.3	Δ47.3	Δ5.0
Long-term investment and others	1.4	1.1	0.2
III .Financing activities	Δ0.8	45.5	Δ46.4
Loan, bond, etc	Δ0.6	47.8	Δ48.5
Purchases and sales of treasury stock	Δ0.0	Δ0.0	0.0
Cash dividends paid③	Δ0.2	Δ2.2	2.0
IV .Net increase in cash and cash equivalents (I + II + III)	Δ32.2	25.8	Δ58.0
○ Free cash flow(①+②+③)	Δ31.5	Δ22.0	Δ9.5

II . Supplemental Material

(Reference) Key Factor and Capital Investment

<Key Factor>

		FY18/2Q (A)	FY17/2Q (B)	Comparison (A)-(B)
Total electricity sales	(Billion kWh)	15.21	14.97	0.24
Currency rate	(yen/\$)	110.3	111.0	Δ0.8
Crude Oil CIF prices[All Japan]	(\$/b)	73.8	51.4	22.4
Flow rate	(%)	104.6	104.9	Δ0.3

<Consumption of Fossil Fuels>

		FY18/2Q (A)	FY17/2Q (B)	Comparison (A)-(B)
Coal	(10,000t)	285	270	15
Heavy Oil	(10,000kl)	11	18	Δ7
Crude Oil	(10,000kl)	8	14	Δ6
LNG	(10,000t)	10	-	10

<Key Factor(FY2018 Forecast)>

		1·2Q actual	3·4Q Forecast	FY2018 Forecast
Total electricity sales	(Billion kWh)	15.21	15.3	30.5
Currency rate	(yen/\$)	110.3	115	113
Crude Oil CIF prices[All Japan]	(\$/b)	73.8	80	77

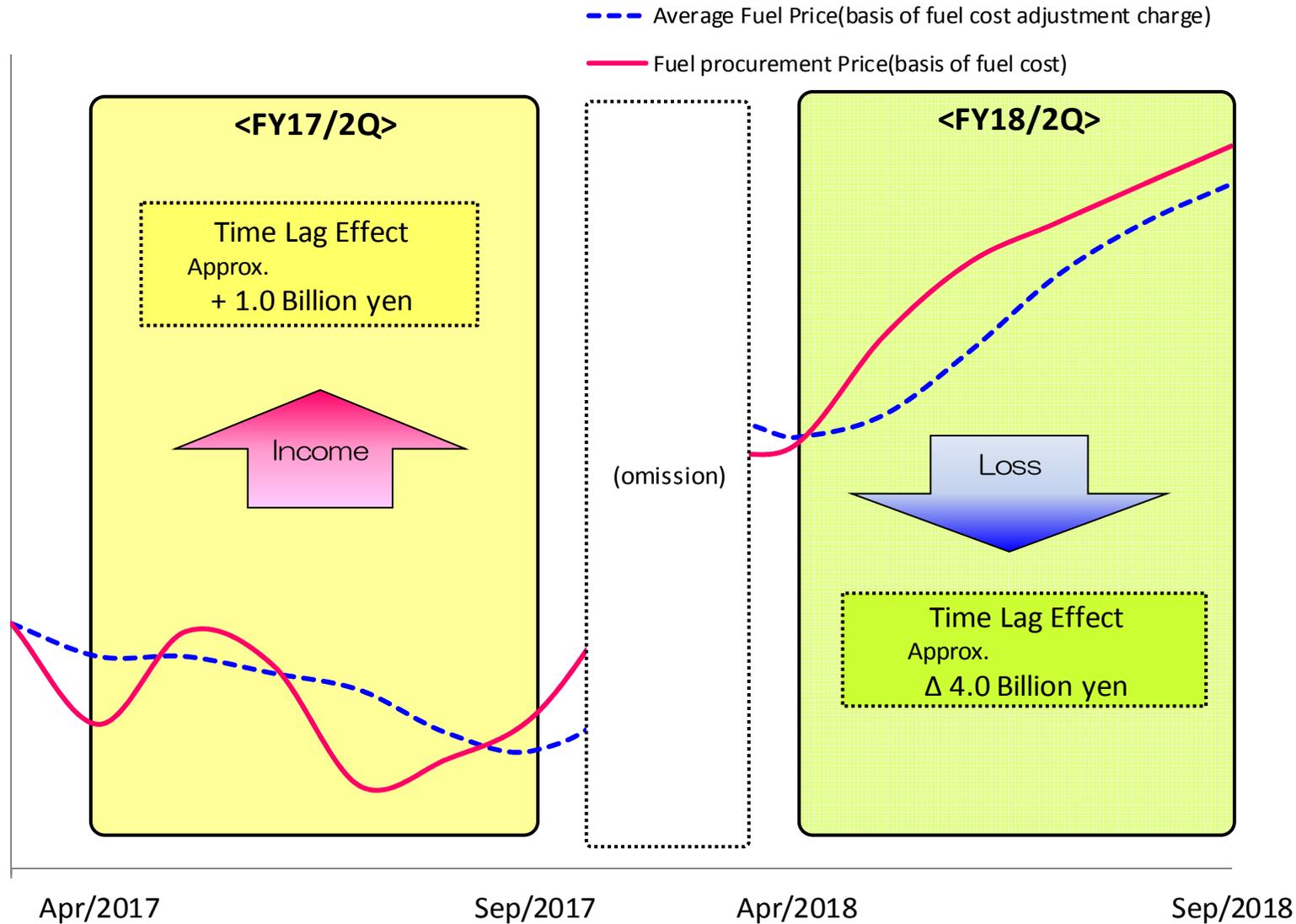
<Capital investment>

(Billion yen)

		FY13	FY14	FY15	FY16	FY17	FY18 Forecast
Capital investment	[Consolidated]	64.6	118.9	99.5	94.8	109.0	Approx. 110.0
	[Non-consolidated]	61.4	115.7	97.9	90.5	103.6	

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

(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 profits. Time Lag Effect above is this temporary increase or decrease, if time lag dose not take place.

(Reference) Data related to Financial Results

<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 profit	[Consolidated]	19.8	39.9	38.1	10.5	14.8
	[Non-consolidated]	15.7	35.2	28.7	2.5	5.3
Ordinary profit	[Consolidated]	9.8	22.3	28.0	2.0	2.6
	[Non-consolidated]	7.3	18.1	18.9	Δ3.2	Δ5.6
profit	[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 profit 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

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