



ANNUAL REPORT 2011

 Hokuriku Electric Power Company

Hokuriku Electric Power Company established on May 1, 1951, supplies electricity through integrated power generation, transmission and distribution systems as one of the ten general electricity utilities in Japan.

Our principle service area covers three prefectures, Toyama, Ishikawa and Fukui (with a combined total population of around 3.1 million in 12,600 km²), all located along the Sea of Japan in central Honshu.

At present (as of the end of March 2011), Hokuriku Electric Power Company serves approximately 2.09 million customers on contracts, including 1.84 million for lighting service and remaining 0.25 million for power supply service, and its electricity sales amounted to 29.5 billion kWh.

Putting the highest priority on building up a firm relationship of mutual trust with customers and keeping in mind that safety should come first, we aim at further improving the overall efficiency of our operations and management, while taking positive steps to diversify power sources with nuclear power as the principal element of our power generation mix, secure a stable supply of electricity, maintain reliable power service and address global environmental challenges.

As a leading private corporation in the Hokuriku region, we actively participate in various projects for economic and cultural development of the local communities in our service area.

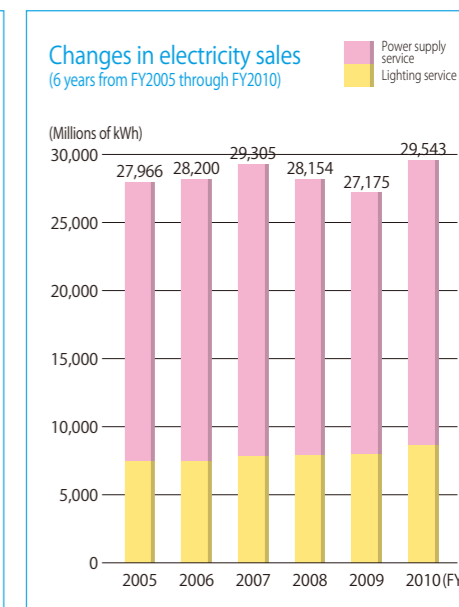
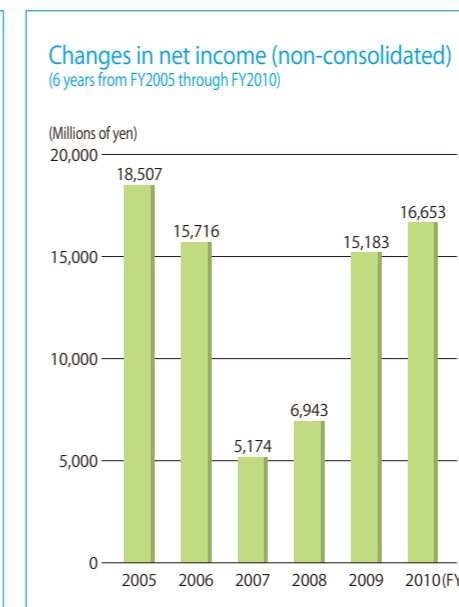
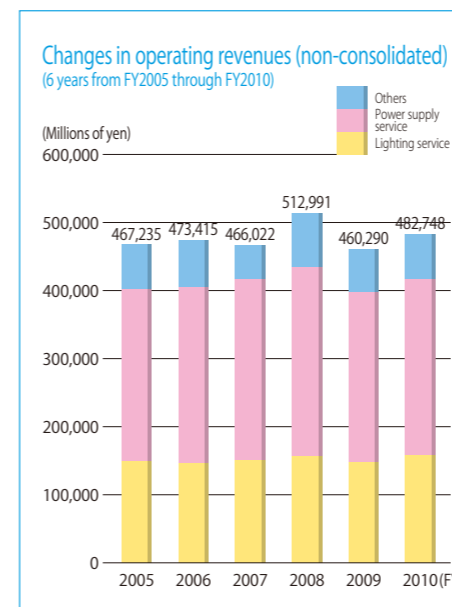


	FY2010	FY2009	FY2010
CONSOLIDATED			
Operating revenues	494,165 millions of yen	471,422 millions of yen	5,943,063 thousands of U.S. dollars
Operating income	49,989 millions of yen	40,994 millions of yen	601,193 thousands of U.S. dollars
Net income	19,087 millions of yen	16,933 millions of yen	229,557 thousands of U.S. dollars
Net income per share	89.99 yen	79.16 yen	1.08 U.S. dollars
Total assets	1,381,163 millions of yen	1,411,859 millions of yen	16,610,502 thousands of U.S. dollars
NON-CONSOLIDATED			
Operating revenues	482,748 millions of yen	460,290 millions of yen	5,805,750 thousands of U.S. dollars
Operating income	46,627 millions of yen	37,715 millions of yen	560,766 thousands of U.S. dollars
Net income	16,653 millions of yen	15,183 millions of yen	200,283 thousands of U.S. dollars
Net income per share	78.52 yen	70.98 yen	0.94 U.S. dollars
Cash dividends	50 yen	50 yen	0.60 U.S. dollars
Total assets	1,351,703 millions of yen	1,382,606 millions of yen	16,256,208 thousands of U.S. dollars
Electricity sales	29,543 millions of kWh	27,175 millions of kWh	
Number of customers	2,088 thousands	2,084 thousands	
System peak load	5,732 MW	5,159 MW	
Generating capacity	8,057 MW	7,963 MW	
Hydroelectric	1,904 MW	1,817 MW	
Thermal	4,400 MW	4,400 MW	
Nuclear	1,746 MW	1,746 MW	
New energy	6 MW		

At the rate of ¥83.15 = U.S.\$1.00

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We take all possible measures to ensure electricity supply and aim at creating Hokuriku Electric Power Group that will grow and evolve together with people in the Hokuriku region.



Left, Chairman Isao Nagahara; Right, President Susumu Kyuwa

First of all, we extend our sincerest sympathies and condolences to those who fell victims to the Great East Japan Earthquake in March 2011, and we wish the earliest possible reconstruction of the disaster-stricken areas.

We take all possible measures to ensure safety of all pieces of equipment and electricity supply.

A serious accident was caused by the earthquake at Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company. As one of the companies engaged in the nuclear power generation business, Hokuriku Electric Power Company also considers the accident as a very serious situation.

In light of the accident, we have organized our "measures for reinforcement of safety" against tsunami and others to further improve the safety of our Shika Nuclear Power Station. With the "safety measures" that we already took in April 2011, among such measures, we think that even if important pieces of equipment lose their functions due to tsunami, no serious nuclear disaster happens. But we will take "additional measures" in about two years to reinforce reliability. Details of the accident are slated to be investigated and clarified by the central government and others. We will appropriately cope with the measures to be taken in consideration of the descriptions, causes and others to be found by such investigation.

We will give easy-to-understand and thorough explanations about nuclear safety including those measures mentioned above to people in the local communities, and use our best efforts to win their understanding and make them feel at ease.

Moreover, for power generation and distribution equipment other than nuclear power equipment, we will steadily implement measures to ensure safety against great earthquakes, tsunami and others.

As a business entity responsible for providing essential utility services, our company group will do our best to supply electricity by taking all possible measures to ensure safety of all pieces of equipment and by further strengthening the capability to respond to occurrence of risk of large-scale disasters and others.

Under the safety-first and thorough-compliance mottos that we have promoted to date, we will continue to improve our expertise and ability as the basis of quality such as on-site technical strength, and we will continue to make efforts for improvements and reforms.

We will promote our efforts to create a low-carbon society in terms of both electricity supply and demand.

Our company group undertakes its efforts to reduce carbon of the energy that we supply and to allow customers to more efficiently use energy with the aim of creating a low-carbon society.

As for the reduction in carbon of the energy which we supply, we believe that nuclear power generation continues to be important from the viewpoints of ensuring stable electricity supply and environmental protection in the future in consideration of the fact that Japan's self-sufficiency rate of energy is only 4%. Upon fully ensuring safety, we will strive to maintain safe and stable operation of our nuclear power station. Moreover, we will introduce our first combined-cycle power generation that uses liquefied natural gas (LNG) as the fuel that can drastically reduce CO₂ emissions, and steadily promote expansion of renewable energy utilization.

For our customers, on the other hand, we will take energy-saving measures on a preferential basis such as proposals to allow them to more efficiently use electricity.

We will promote approaches to "coexistence for mutual benefits in the Hokuriku region."

As a company firmly rooted in local communities, our company group thinks that trust-based relationships with people in local communities are most important. While promoting activities to deepen mutual understanding about energy and environment, we will support and cooperate in invigoration such as solution of problems in the local communities. We will also continue to address local environmental protection.

Our company could mark its 60th anniversary in May 2011, earnestly thanks to your deep understanding and support, and we would like to express our sincere gratitude to you.

We will enhance our social trust by steadily implementing the above-mentioned efforts and approaches with the spirit of "coexistence for mutual benefits in the Hokuriku region" as the starting point of our company's business management since its foundation, and we will aim to create Hokuriku Electric Power Group that will continue to grow and evolve together with people in the Hokuriku region.

We would like to firmly maintain trust-based relationships by having every one of our employees faithfully and appropriately respond to expectations and requests of our stakeholders (customers, local communities, shareholders, investors, clients and employees), keeping in mind the pride and sense of mission as a member of a public utility, and by practicing corporate social responsibility (CSR).

Isao Nagahara
Chairman of the Board

Susumu Kyuwa
President

The Hokuriku region, our service area, is conveniently situated within 300 km of Japan's three major metropolitan areas - Tokyo, Osaka and Nagoya. This geographical advantage combines with a desirable natural environment and an abundant labor force to give Hokuriku region great growth potential and a promising future.

The combined gross domestic product of the three prefectures in the Hokuriku region - Toyama, Ishikawa and Fukui - reached ¥12.3 trillion (in nominal terms in FY2008), which is equivalent to the GDP level of New Zealand, Peru, Qatar, etc.

As the gateway to the nations bordering the Sea of Japan, the Hokuriku region has recently come to be considered the frontiers of new developments in the 21st century.

The development and expansion of transportation systems have reduced the traveling time between Hokuriku and other regions of Japan, particularly the three major metropolitan areas, leading to further promotion of human and economic exchanges.

In the railway sector, the Tokyo-Nagano section of the Hokuriku Shinkansen bullet train service has gone into commercial operation while the construction work of the Nagano-Kanazawa is well underway toward the start of commercial operation at the end of FY2014.

In the road transportation sector, the Tokai-Hokuriku Expressway was brought into full operation in July 2008, in addition to the Hokuriku Expressway. The Noetsu Expressway has also partly come into service.

In the air transportation sector, on the other hand, both Komatsu and Toyama Airports that have been further internationalized and Noto Airport have been developed.

In the sea transportation sector, projects are in progress to enhance the facilities at important seaports, including Fushiki Toyama, Nanao, Kanazawa and Tsuruga ports, of which the first is designated as a special important port.

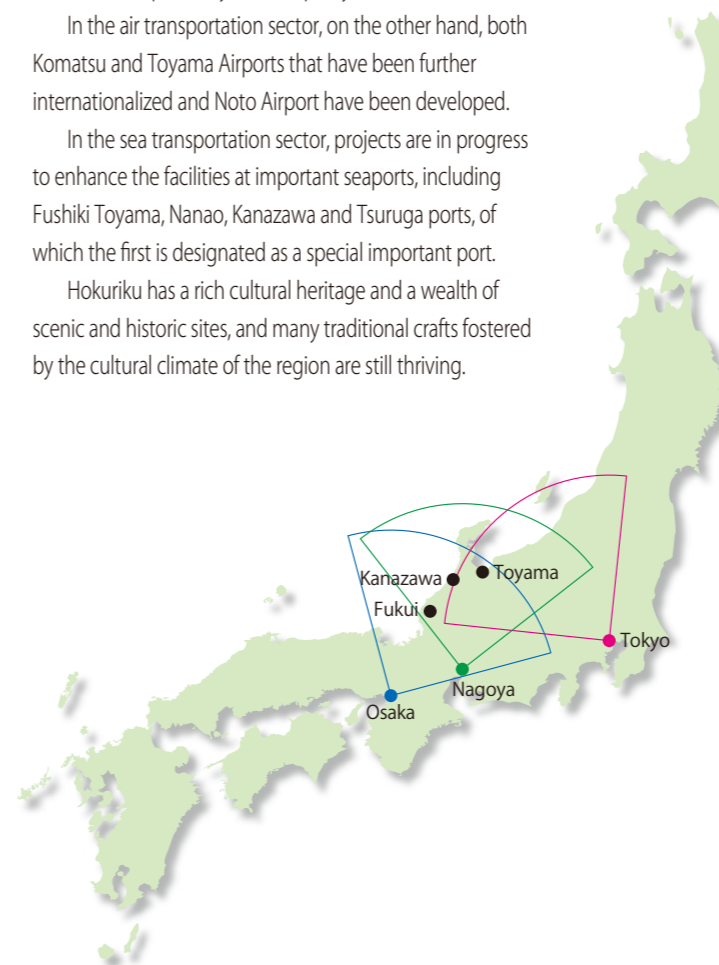
Hokuriku has a rich cultural heritage and a wealth of scenic and historic sites, and many traditional crafts fostered by the cultural climate of the region are still thriving.



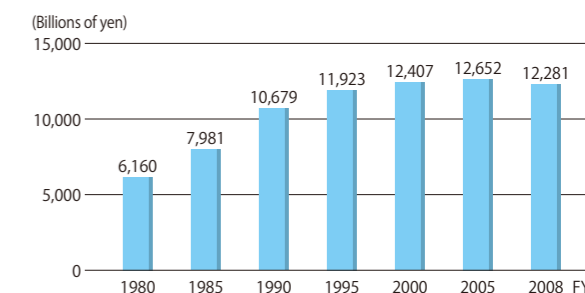
▲Tateyama chain of mountains

To the east lie the Japan Alps, a range of mountains rising 3,000 meters above the sea. From these mountains flow the rivers that provide Hokuriku with plentiful water resources. The low-cost, abundant hydroelectric power generated by abundant water resources of these rivers led to early development of the heavy chemical industries such as steel, chemical and textile industries. In addition to its role as a major production center for aluminum products, machinery and other goods, Hokuriku is home to numerous world-famous enterprises and is the leading industrial region along the Sea of Japan.

In recent years, the Hokuriku region has attracted an increasing number of companies in frontier industries such as manufacturing telecommunications equipment and semiconductors, and software programming that have set up manufacturing bases and research facilities. As the pace of economic globalization is accelerated, more and more companies are choosing the region to enhance the competitiveness with the global market in mind.



Changes in gross domestic product of the Hokuriku region





▲Shika Nuclear Power Station

I. Comprehensive Measures in Consideration of Great East Japan Earthquake

For safer and stabler operation of Shika Nuclear Power Station

The greatest earthquake (magnitude of 9.0) in Japan's recorded history happened on March 11, 2011, and the center of the shock was the bottom of the Pacific Ocean off the coast of Sanriku. Serious damage was caused mainly in areas on the Pacific coast in the Tohoku and Kanto regions by the earthquake and the subsequent tsunami. A major accident also happened at Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company. Strenuous efforts are now still being made to control the accident.

In such a state of emergency, Hokuriku Electric Power Company will give top priority to comprehensive measures that take the Great East Japan Earthquake into consideration and carry out them with our "Committee on Comprehensive Measures against the Great East Japan Earthquake" as the central figure. The committee is chaired by the president of our company. As a business entity responsible for providing essential utility services, we will take all possible measures to ensure safety of all pieces of equipment including those for nuclear power, by taking necessary measures against earthquakes, tsunami and others, and further strengthen its capability to cope with occurrence of risk of large-scale disasters and others.

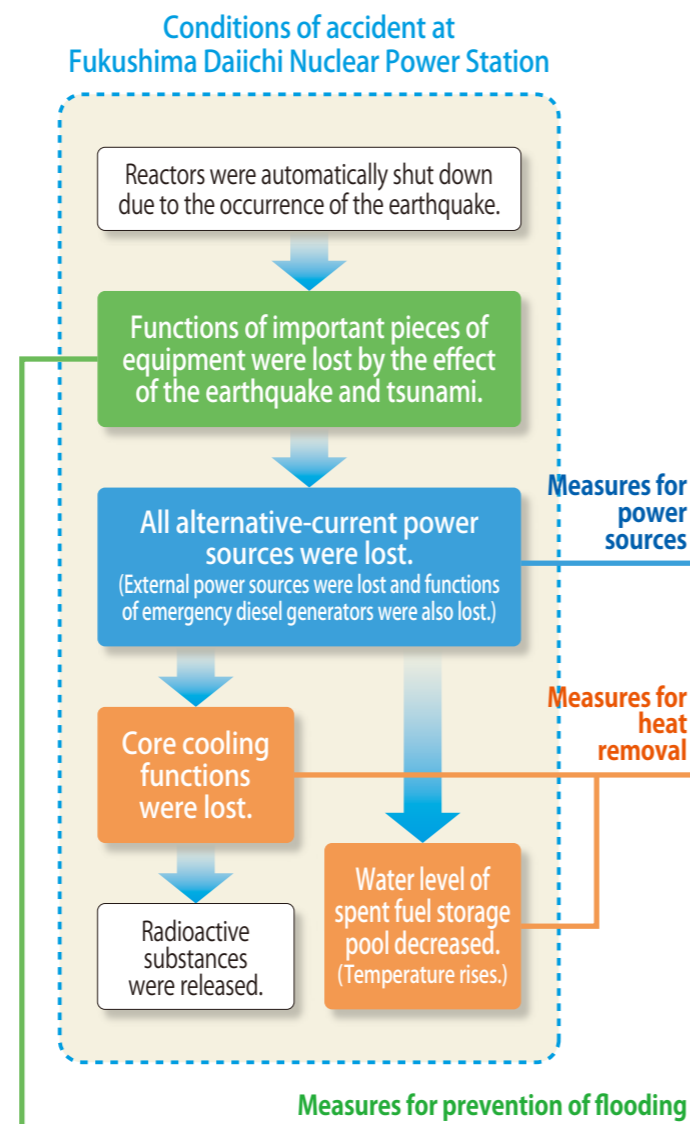
"Measures for reinforcement of safety" against tsunami, etc. will be reliably carried out at Shika Nuclear Power Station.

The height of the site where Shika Nuclear Power Station is located is 11 meters or higher compared with the assumed highest high-water level of tsunami (i.e., five meters above sea level). So, we think that the safety against tsunami is basically ensured. However, in consideration of the accident at Fukushima Daiichi Nuclear Power Station, we have organized our "measures for reinforcement of safety" against tsunami and others at Shika Nuclear Power Station from the viewpoints of "ensuring of power sources," "ensuring of heat removal function" and "prevention of flooding on the premises of the power station" in case of an emergency.

Of these "measures for reinforcement of safety," we already completed all measures in April 2011 concerning those measures that do not allow Shika Nuclear Power Station to cause a serious nuclear disaster like the one happened at Fukushima Daiichi Nuclear Power Station, even if the functions of important pieces of equipment are lost by tsunami. For information, these measures satisfy all of the requirements prescribed by "Implementation of Emergency Safety Measures" as a directive from the central government. Our measures were evaluated as reasonable measures by the central government on May 6, 2011.

As for "additional measures" to further improve reliability of Shika Nuclear Power Station, we will steadily carry out them in about two years.

When details and causes of the accident at Fukushima Daiichi Nuclear Power Station are investigated and clarified in the future by the central government and others, we will appropriately cope with measures based on the results of such investigation.



"Measures for reinforcement of safety" against tsunami, etc. at Shika Nuclear Power Station

	Safety measures (completed by April)	Additional measures (to be carried out in about two years)
	Measures not to cause nuclear disasters even if functions of important pieces of equipment are lost by tsunami	Measures to further improve reliability
Ensuring of power sources	1 Ensuring of emergency power sources • Power supply vehicles, low-voltage generators, cables and transformers are developed to ensure power sources for monitoring and water injection equipment when all AC power sources are lost.	A Preparation of emergency power sources (large capacity) • Large-capacity power supply vehicles (air-cooling type) and other necessary equipment and materials such as cables are prepared to ensure power sources for equipment to remove heat by using seawater, in addition to monitoring and water injection equipment, when all AC power sources are lost. B Ensuring of station-service power supply by early restoration of external power sources • Electricity is supplied to the power station by early restoration of transmission lines. C Ensuring of reliability of external power sources • All of the transmission circuits connected with the power station are connected with respective units.
Ensuring of heat removal function	2 Reinforcement of means of injecting water from fire protection systems into reactors and spent fuel storage pools • Fire engines and submersible pumps are prepared to inject fire fighting water or seawater into reactors and spent fuel storage pools to cool fuels even if all AC power sources are lost. 3 Improvement of reliability of containment vessel vent • Additional spare air and nitrogen cylinders are installed to actuate safety valves and vent valves to reduce the pressure in reactor pressure vessels and reactor containment vessels.	D Establishment of means to restore functions of component cooling water system pumps flooded • Equipment and materials to clean and dry motors to restore pump functions when motors are flooded, and spare motors for component cooling seawater pumps and component cooling water pumps are prepared. E Diversification of water sources (water intake from Otsubogawa Dam as a large-capacity water source) • A large-capacity water source is ensured by water intake from Otsubogawa Dam to diversify sources of water to be injected into reactors and spent fuel storage pools.
Other reinforcement measures for disaster prevention	4 Inspection of equipment and facilities to cope with emergency due to tsunami • It is confirmed that important functions for safety and equipment to cope with severe accidents have no abnormality. • Equipment, facilities and materials that are needed to cope with emergency at the time of occurrence of tsunami are inspected. 5 Confirmation of procedures to cope with emergency • Plans to cope with emergency are inspected. 6 Implementation of training to cope with emergency • Training is implemented based on plans.	F Reinforcement of anti-disaster facilities, materials, equipment and others • A building for emergency measures is constructed. • Warehouse dedicated to anti-disaster equipment and materials is constructed. • Monitoring equipment is reinforced. (The number of monitoring vehicles is increased from one to three.) • Additional personal dosimeters are introduced. • Major access road on the premises are reinforced. • Crane trucks for restoration work are regularly stationed.
Measures for prevention of flooding in the power station site	7 Confirmation of waterproof function of reactor building • The soundness of doors and pipe penetrations in the reactor building where seawater may penetrate is checked.	G Construction of tide embankments • Flooding of tsunami (flooding from the seaside) into the power station site is prevented. H Construction of tide barriers around intake chambers and discharge chambers • Flooding of tsunami (flooding from intake and discharge chambers) into the power station site is prevented. I Reinforcement of measures for prevention of flooding into seawater heat exchanger building • Flooding of tsunami into seawater heat exchanger building is prevented.

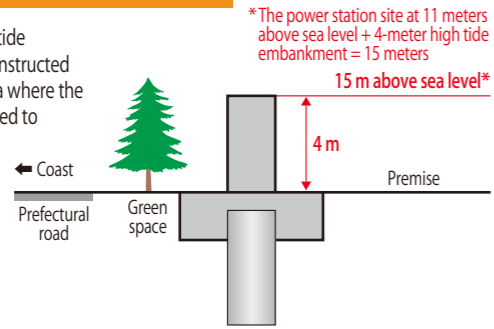
Outline of "safety measures" and "additional measures"

Additional measures

Measures to be taken in about two years

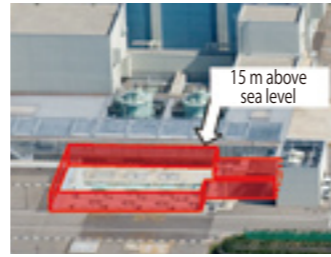
G Construction of tide embankments

Reinforced-concrete tide embankments are constructed along the coastal area where the power station is located to prevent flooding into the power station site.



H Construction of tide barriers around intake chambers and discharge chambers

Four-meter high tide barriers (15 meters above sea level) are constructed around intake and discharge chambers to prevent flooding of seawater from intake and outlet at the time of tsunami occurrence.



E Diversification of water source

It will be made possible to use Otsubogawa Dam's large-capacity water source as one of the sources of water to be injected into reactors and spent fuel storage pools.



Otsubogawa Dam

A Preparation of emergency power sources (large capacity)

Large-capacity power supply vehicles are prepared to ensure power sources for equipment to remove heat by using seawater, in addition to monitoring and water injection equipment. [Specifications] about 4,000 kVA x 2 vehicles

B Ensuring of station-service power supply by early restoration of external power sources

Electricity is supplied to the power station by early restoration of transmission lines.

C Ensuring of reliability of external power sources

All of the transmission circuits connected with the power station are connected with respective units to further improve the reliability of electricity supply.

Safety measures (completed)

Points of safety measures

- Even if all power sources are lost, power sources can be ensured and cooling water can be injected.
- Fuels are continuously cooled by injecting water, and nuclear disasters like the accident which happened at Fukushima Daiichi Nuclear Power Station are prevented.

7 Confirmation of waterproof function of reactor building

The soundness of doors and pipe penetration in the reactor building where seawater may penetrate is confirmed.



Confirmation of soundness of pipe penetrations

1 Ensuring of emergency power sources

Power supply vehicles are stationed to make it possible to monitor the power station and inject water even if all power sources are lost.



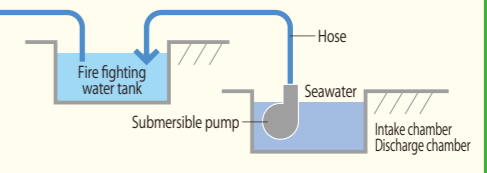
Power supply vehicle [specifications] 300 kVA x 5 vehicles

2 Reinforcement of means of injecting water from fire protection systems

It is also made possible for fire engines stationed at the power station to inject water into reactors spent fuel storage pools.



Scene of water injection training



4 Inspection of equipment and facilities to cope with emergency

Important equipment and facilities for safety and equipment and materials to be needed at the time of emergency are tested and inspected.

5 Confirmation of procedures to cope with emergency

Procedures are confirmed, including the procedures newly added to cope with emergency.

6 Implementation of training to cope with emergency

Training to make use of power supply vehicles stationed and training to use operation training simulators are implemented.



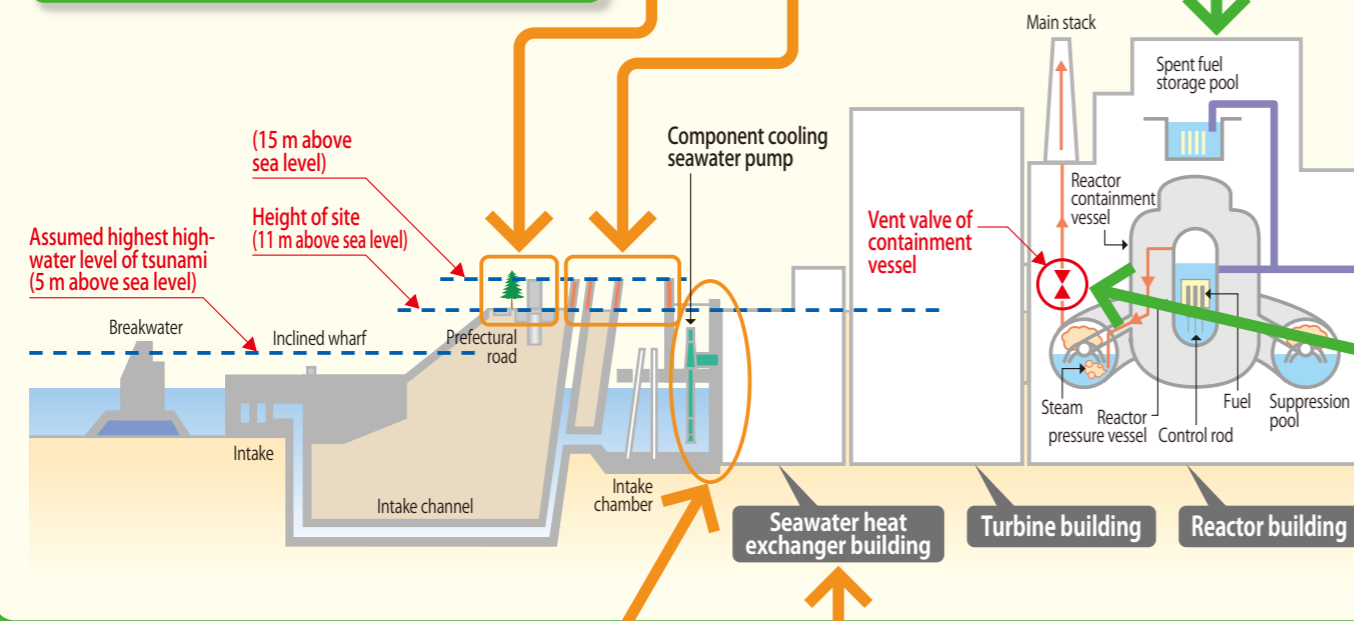
Scene of power supply training

3 Improvement of reliability of containment vessel vent

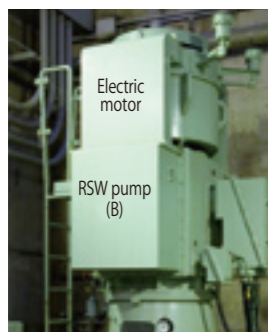
Vent valves of containment vessels are opened by cylinders. Additional spare cylinders are installed to actuate the vent valves without fail.

What is containment vessel vent?

In an emergency, fuels are cooled by injecting water into a reactor, while releasing steam. If the pressure in a containment vessel is increased by this steam, the pressure is released from a vent valve of the containment vessel to a stack. This is called "containment vessel vent."



D Establishment of means to restore functions of component cooling water system pumps flooded



In preparation for the case where pumps necessary to cool reactors and spent fuel storage pools are flooded by tsunamis, it is made possible to clean and dry electric motors and use them again, and spare electric motors are also prepared.

- [Specifications and number of spare motors]
- Unit 1: 190 kW x 2 motors, 180 kW x 2 motors
 - Unit 2: 280 kW x 2 motors, 310 kW x 2 motors

I Reinforcement of measures for prevention of flooding into seawater heat exchanger building

Doors in seawater heat exchanger building are made watertight to prevent flooding into pumps in the building.



Watertight door

F Reinforcement of anti-disaster equipment, facilities, materials and others

Necessary equipment, facilities, materials and others to cope with emergency are reinforced such as construction of a building for emergency measures and introduction of additional monitoring vehicles.

- A building for emergency measures is constructed. (Seismic isolation structure, independent power source, decontamination facility, etc.)
- Warehouse dedicated to anti-disaster equipment and materials is constructed.
- Monitoring equipment is reinforced. (The number of monitoring vehicles is increased from one to three.)
- Additional personal dosimeters to measure radiation are introduced.
- Major access road on the premises are reinforced.
- Crane trucks for restoration work are regularly stationed.



Monitoring vehicle

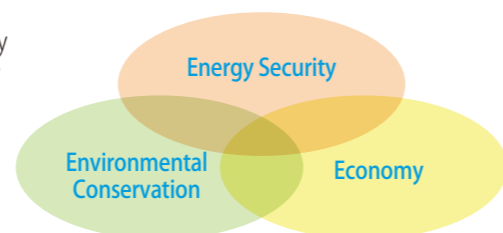
When details and causes of the accident at Fukushima Daiichi Nuclear Power Station are investigated and clarified in the future by the central government and others, we will appropriately cope with measures based on the results of such investigation.

Our company will carry out respective measures with reliability to make people in the local communities concerned live worry-free.

II. To Ensure Stable Supply of Electricity and Create Low-Carbon Society

We make group-wide efforts to stably supply high quality and environment-friendly electricity.

In addition to achievement of our social mission to “stably supply inexpensive and high quality electricity,” Hokuriku Electric Power Group has been trying to simultaneously achieve “3E Targets,” i.e., “Energy Security,” “Environmental Conservation” and “Economy,” to meet the needs of the times to create a low-carbon society.

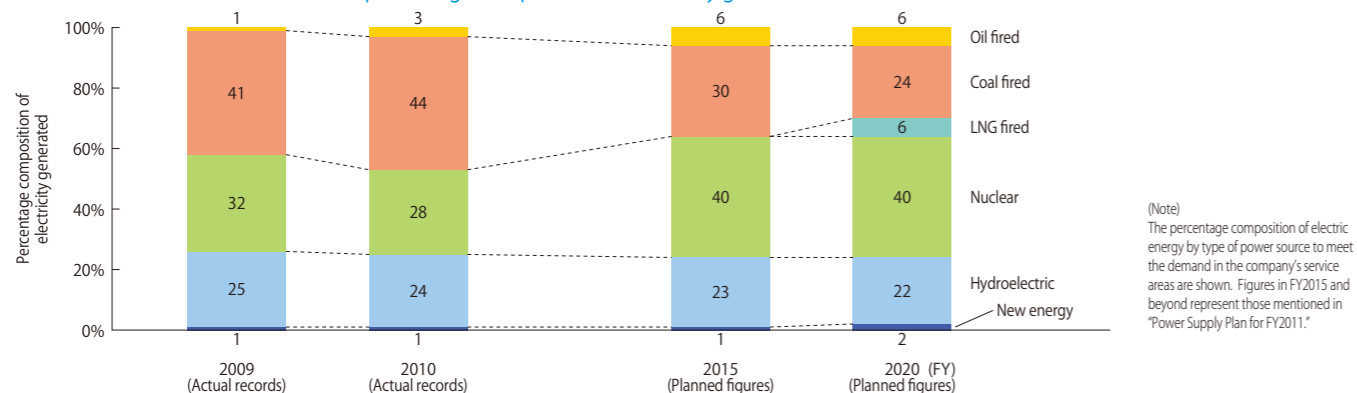


Best mix of power sources

To supply electricity, we exert our efforts to achieve the “best mix of power sources” to make use of the characteristics of hydroelectric power, thermal power and nuclear power from a long-term point of view and generate electric power by combining them in a well balanced manner.

While safely and stably operating Shika Nuclear Power Station, we will promote construction of liquefied natural gas (LNG) fired power stations that greatly contribute to reduction in CO₂ emissions. We will also steadily introduce renewable energy such as hydroelectric power, photovoltaic power, wind power and woody biomass to diversify power sources and reduce carbon emissions.

Actual records of and outlook for percentage composition of electricity generated



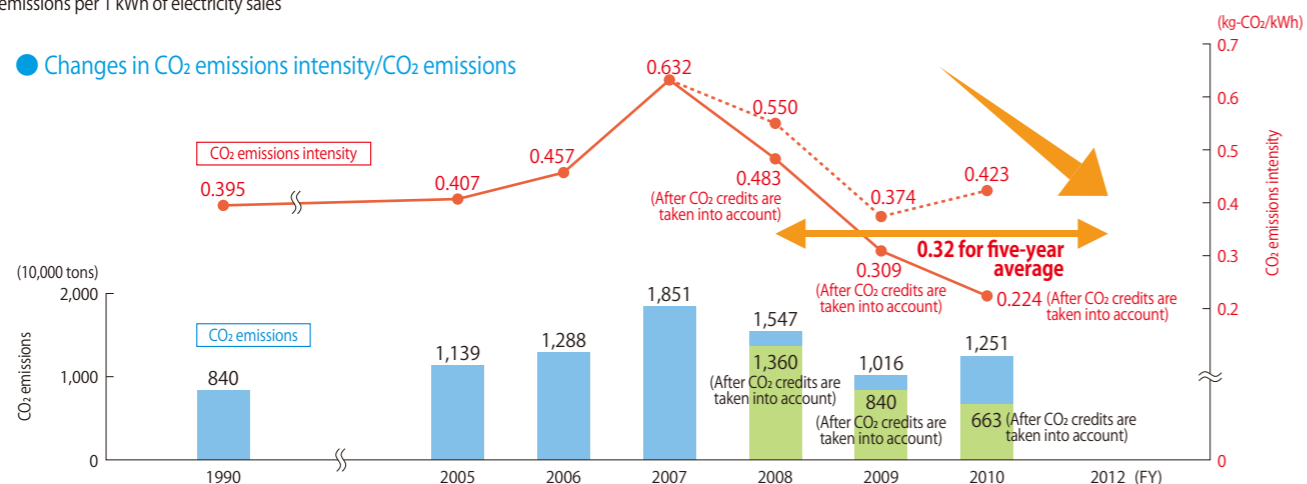
Environmental target

A voluntary environmental target is declared to control CO₂ emissions.

Environmental target Reduce CO₂ emissions intensity* by 20% from the FY1990 level
0.32 kg-CO₂/kWh (average in five years from FY2008 through FY2012)

* CO₂ emissions per 1 kWh of electricity sales

Changes in CO₂ emissions intensity/CO₂ emissions



Approaches on both supply and demand sides to create a low-carbon society

Hokuriku Electric Power Group aims to create a low-carbon society by promoting approaches on both supply and demand sides, i.e., the side to generate and supply electricity (supply side) and the side to encourage efficient use of energy (demand side).

Supply side Further reduce carbon emissions and improve efficiency of power generation and distribution equipment (generate and supply electricity)

- Safe and stable operation of Shika Nuclear Power Station
- Introduction of LNG fired power generation
- Increased introduction of renewable energy (Hydroelectric power, photovoltaic power, wind power and woody biomass, etc.)

+

Demand side Promote energy conservation, reduction in CO₂ emissions and dissemination of high-efficiency equipment (present proposals to customers)

- Promotion of consultation about energy conservation and reduction in CO₂ emissions, and proposal for more efficient use of electricity
- Recommendation of highly energy-saving equipment such as Eco Cute

Replacement with new rotor (low-pressure turbine rotor) at Unit 2 of Shika Nuclear Power Station

Because low-pressure turbine blades were damaged, Unit 2 of Shika Nuclear Power Station was equipped with straightening vanes and has been operated at 1.206 million kW since FY2008. In the third periodical inspection from March 2011, the rotors were replaced with new rotors (low-pressure turbine rotors) that were newly designed and produced as a permanent measure. The operation of the unit will be restored to its original rated power of 1.358 million kW.



▲ Replacement with new rotor (low-pressure turbine rotor)

Reduction in CO₂ emissions by power restoration **Approx. 0.9 million t-CO₂ per year**

Introduction of LNG fired power generation

Hokuriku Electric Power Company will replace the coal-fired Unit 1 of Toyama-Shinminato Thermal Power Station and introduce its first combined-cycle power generation that uses liquefied natural gas (LNG) as the fuel that can drastically reduce CO₂ emissions.

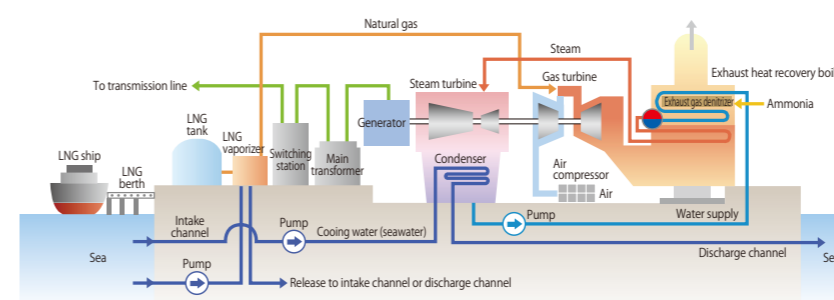
With this power plant, we will further promote diversification of power sources and reduction in CO₂ emissions.

Reduction in CO₂ emissions by introduction of LNG fired power plant **Approx. 1 million t-CO₂ per year**

Outline of LNG fired power generation

Name	LNG fired Unit 1 of Toyama-Shinminato Thermal Power Station
Output	0.4 million kW class
Major facility	LNG fired Unit 1 Combined-cycle power generation equipment x 1 unit LNG base LNG tank, LNG incidental facilities, etc.
Major process (scheduled)	Commencement of procedures for environmental impact assessment FY2011 Commencement of construction FY2015 Commencement of operation FY2018

Mechanism of LNG fired combined-cycle power generation



Power generation equipment that use a gas turbine and a steam turbine in combination. Electricity is generated by rotating the gas turbine with the gas produced by combustion of LNG. In addition, electricity is also generated by rotating the steam turbine with the steam produced by recovered waste heat of high-temperature gas exhausted from the gas turbine. Accordingly, the thermal efficiency of combined-cycle power generation is higher than that of power generation by conventional steam turbines, and effective utilization of energy can be promoted.

We steadily facilitate introduction and expansion of renewable energy.

Hydroelectric power generation

To promote effective utilization of abundant water resources in the Hokuriku region, we continue to promote the use of river maintenance discharge* that is currently not used for power generation.

Hotokebara Dam Power Station (Kuzuryu River) started commercial operation in November 2010 as Hokuriku Electric Power Company's first power station which uses river maintenance discharge.

Also, we work to increase capacity through upgrading equipment of existing hydroelectric power station, explore and identify new potential sites of hydropower generation, and take other steps.

*River maintenance discharge: Water discharged from dams for the purpose of maintaining river environment



▲ Hotokebara Dam Power Station (right: inside the power station)

■ Hydroelectric power station that utilizes river maintenance discharge

Name	Output	Start of operation	Electricity generated	CO ₂ emissions reductions
Hotokebara Dam Power Station	220kW	Nov. 2010	Approx. 1.8 million kWh per year	Approx. 500 t-CO ₂ per year
Arimine Dam Power Station	170kW	Nov. 2011	Approx. 1.3 million kWh per year	Approx. 400 t-CO ₂ per year
Shin-Inotani Dam Power Station	470kW	FY2012	Approx. 3.7 million kWh per year	Approx. 1,100 t-CO ₂ per year
Kitamata Dam Power Station	130kW	FY2013	Approx. 0.9 million kWh per year	Approx. 300 t-CO ₂ per year

Photovoltaic power generation



◀ Shika Photovoltaic Power Station

Shika Photovoltaic Power Station started operation in March 2011 as Hokuriku Electric Power Company's first mega-solar power station, and Toyama Photovoltaic Power Station started operation in April 2011. We will continue to steadily promote the proprietary development of mega-solar power station.

■ Mega-solar power station

Name	Output	Start of operation	Electricity generated	CO ₂ emissions reductions
Shika Photovoltaic Power Station	1,000kW	Mar. 2011	Approx. 1 million kWh per year	Approx. 300 t-CO ₂ per year
Toyama Photovoltaic Power Station	1,000kW	Apr. 2011	Approx. 1 million kWh per year	Approx. 300 t-CO ₂ per year
Suzu Photovoltaic Power Station	1,000kW	FY2012	Approx. 1 million kWh per year	Approx. 300 t-CO ₂ per year
Mikuni Photovoltaic Power Station	1,000kW	FY2012	Approx. 1 million kWh per year	Approx. 300 t-CO ₂ per year

Wind power generation



◀ Fukura Wind Park

Nihonkai Power Generating Company of Hokuriku Electric Power Group completed Fukura Wind Park and started commercial operation of all of the nine units (2,400 kW x 9 units = 21,600 kW) in January 2011.

Moreover, the amount of wind power generation available for interconnection is increased from 0.15 million kW to 0.25 million kW, and additional power has been invited since April 2009.

■ Overview of Fukura Wind Park

Output of wind park	21,600 kW (2,400 kW x 9 units)		
Electricity generated	Approx. 41 million kWh per year		
Start of operation	Phase 1	Oct. 2009	9,600 kW (4 units)
	Phase 2	Jan. 2011	12,000 kW (5 units)
CO ₂ emissions reductions	Approx. 12,000 t-CO ₂ per year		

Woody biomass co-firing power generation

Unit 2 of Nanao Ohta Thermal Power Station started woody biomass co-firing power generation in September 2010.

Together with Unit 2 of Tsuruga Thermal Power Station which started operation in June 2007, we will stably promote woody biomass co-firing power generation.



Woody biomass ▲

▲ Acceptance of woody biomass (Nanao Ohta Thermal Power Station)

■ Outline of woody biomass co-firing power generation

Name	Start of introduction	Electricity generated	CO ₂ emissions reductions
Unit 2 of Tsuruga Thermal Power Station	Jun. 2007	Approx. 30 million kWh per year*	Approx. 25,000 t-CO ₂ per year*
Unit 2 of Nanao Ohta Thermal Power Station	Sep. 2010		

* In the case where about 35,000 tons of woody biomass are used per year

III. Measures for improving operational efficiency

Efficient renewal and maintenance of equipment with top priority to safety, and reduction in procurement costs

Promotion of efficient operation management

- We will work towards efficient facility renewal and maintenance such as introduction of new technologies and construction methods, review of equipment specifications, and modification of aged equipment based on the results of inspection and diagnosis.
- We will try to stably and economically procure coal by diversifying coal purchase contracts and making use of our dedicated ships, and make continuous efforts to reduce our procurement costs of equipment and materials and overhead expenses.
- We will continue to review the methods of operation management such as autonomous activities to improve operations in order to further promote efficient operation management.

IV. Approaches to promote industries in the Hokuriku region ~ Power and IT Inc. ~

Promotion of data center business

Power and IT Inc. has promoted the construction of next-generation data center in the southern part of Toyama-City since its foundation in August 2009. It is the largest data center in the Hokuriku region. The data center was completed in June 2011 and started commercial operation.

For customers including those in prefectures other than the three prefectures in the Hokuriku region, the data center quickly and appropriately meets the needs for outsourcing, backup at the time of disasters and others, and also contributes to promotion of industries in the Hokuriku region.



▲ Appearance of data center

Seismic base isolation device (laminated rubber isolator) ▼

Summary of business performance in FY2010 (from April 1, 2010 to March 31, 2011)

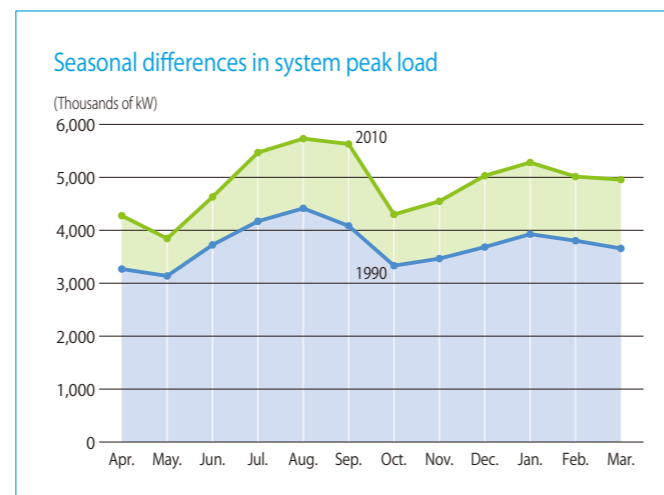
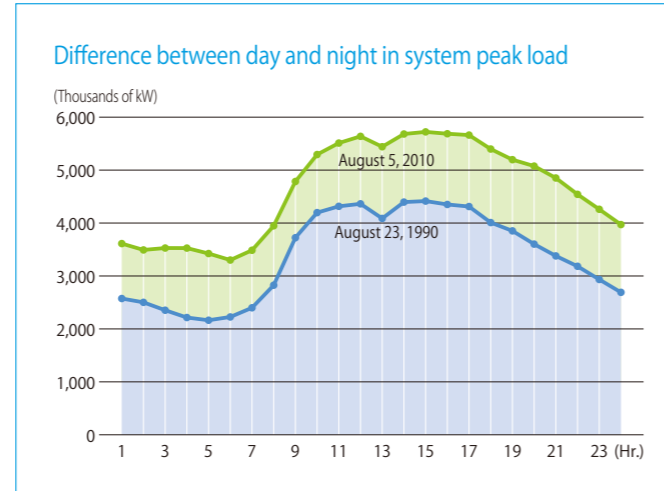
Japan's economy in FY2010 remained on a recovery trend, though the pace of recovery was slow, as production activities continued to slowly increase against the background of increasing exports to Asian countries such as China and difficult employment conditions also eased. Economic conditions in the Hokuriku region followed a similar pattern.

As a result of the Great East Japan Earthquake, however, the Tohoku and Kanto regions are seriously damaged, and there are concerns about impact on the economy in the future.

In such economic situation, our electricity sales in the commercial and industrial sectors during the year exceeded the previous year's level as the electricity demand for cooling and heating increased because of the record-breaking hot summer in 2010 and winter temperatures lower than the previous winter. Our electricity sales for the year in the industrial sector also increased from the previous year's level due to the increased production during which the economy picked up.

Consequently, our electricity sales increased by 8.7% from the previous year's level to 29.543 billion kWh (includes 19.407 billion kWh for specified-scale demand), showing a year-on-year increase for the first time in three years.

As for our supply capability, though Unit 1 of Shika Nuclear Power Station was shutdown for replacement of shaft seal part of reactor coolant recirculation pump, the flow rate remained as high as in an average year at 99.5% and we strove to increase the operating efficiency of all pieces of our supply equipment. As a result, we could maintain stable supply of electricity throughout the year.



Financial Review

Consolidated Balance Sheets

The Company's "total assets" as of March 31, 2011 totaled ¥1,381.1 billion, an ¥30.6 billion decrease from ¥1,411.8 billion as of March 31, 2010. This is because cash decreased by ¥39.6 billion due to redemption of corporate bonds and others.

The "total liabilities" as of March 31, 2011 totaled ¥1,026.5 billion, an ¥27.1 billion decrease from ¥1,053.6 billion as of March 31, 2010. Of this total, the "long-term liabilities" accounted for ¥814.6 billion, down ¥43.8 billion from the year-earlier figure. This decrease is due to redemption of corporate bonds and others. On the other hand, the "current liabilities" increased by ¥14.2 billion from the year-earlier figure to ¥204.8 billion. This is due to the increase of "current portion of long-term debt" and others.

The "total net assets" as of March 31, 2011 totaled ¥354.6 billion, an ¥3.5 billion decrease from ¥358.2 billion as of March 31, 2010. This decrease is due to payment for dividends, purchases of treasury stock and others, though the net income in the retained earnings was included.

Consolidated Statements of Income

The "operating revenues" for the year ended March 31, 2011 amounted to ¥494.1 billion, increased by ¥22.7 billion from ¥471.4 billion as of March 31, 2010. This is because of the increase in the amount of electricity sales. On the other hand, the "operating expenses" increased by ¥13.7 billion over the year-earlier figure to ¥444.1 billion. This is because of the increase of maintenance costs. As a result, the "operating income" increased by ¥8.9 billion over the year-earlier figure to ¥49.9 billion.

The "other expenses" increased by ¥0.3 billion over the previous year to ¥14.3 billion. This is due to the increase of interest expense. Consequently, the "income before special items and income taxes" increased by ¥8.6 billion over the preceding year to ¥35.6 billion.

After the deduction of extraordinary loss of ¥2.3 billion associated with the adjustment for changes of accounting standard for asset retirement obligations, "income taxes" of ¥11.7 billion, etc., the "net income" increased by ¥2.1 billion over the year-earlier figure to ¥19.0 billion.

The "net income per share" increased by ¥10.83 from ¥79.16 a year earlier to ¥89.99.

Consolidated Statements of Cash Flow

The balance of cash and cash equivalents on March 31, 2011 amounted to ¥73.9 billion, down ¥39.6 billion from March 31, 2010. This is because of the revenues of ¥133.8 billion due to "operating activities," the expenses of ¥77.2 billion due to "investment activities," and the expenses of ¥96.2 billion due to "financing activities."

The revenues from the "operating activities" decreased by ¥11.9 billion over the year-earlier figure. This is because of the increase of income taxes paid, etc. The expenses from the "investment activities" increased by ¥27.7 billion over the year-earlier figure due to the increase in expenses from the acquisition of property, plant and equipment. The expenses from the "financing activities" increased by ¥16.8 billion over the preceding year due to the increase in the expenses from purchases of treasury stock.

Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY AND CONSOLIDATED SUBSIDIARIES
As of March 31, 2011 and 2010

Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
ASSETS	2011	2010	2011
PROPERTY, PLANT AND EQUIPMENT (Note 4):	¥3,308,387	¥3,232,627	\$39,788,178
Less: Accumulated depreciation	(2,296,922)	(2,224,568)	(27,623,847)
Property, plant and equipment, net	1,011,464	1,008,059	12,164,330
NUCLEAR FUEL:			
Loaded nuclear fuel	19,027	23,511	228,833
Nuclear fuel in processing	70,761	58,501	851,015
Total nuclear fuel	89,789	82,012	1,079,849
INVESTMENTS AND OTHER ASSETS:			
Long-term investments (Note 5 and 13)	55,593	46,928	668,592
Fund for reprocessing of irradiated nuclear fuel (Note 13)	24,966	24,143	300,255
Deferred income taxes (Note 6)	41,080	37,904	494,058
Other assets (Note 5)	9,437	9,717	113,502
Total investments and other assets	131,078	118,693	1,576,408
CURRENT ASSETS:			
Cash (Note 7)	73,973	113,651	889,635
Trade notes and accounts receivable (Note 13)	38,252	36,949	460,043
Inventories	21,083	19,156	253,563
Deferred income taxes (Note 6)	8,376	8,821	100,743
Other current assets	7,144	24,515	85,927
Total current assets	148,831	203,094	1,789,913
TOTAL ASSETS	¥1,381,163	¥1,411,859	\$16,610,502

See notes to consolidated financial statements.

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
LIABILITIES AND NET ASSETS	2011	2010	2011
LONG-TERM LIABILITIES:			
Long-term debt (Notes 8 and 13)	¥674,808	¥762,246	\$8,115,551
Accrued employees' retirement benefits (Note 9)	33,591	37,097	403,992
Reserve for reprocessing of irradiated nuclear fuel	25,670	24,859	308,731
Reserve for reprocessing of irradiated nuclear fuel without specific plans	5,019	3,421	60,371
Reserve for decommissioning costs of nuclear power units	—	21,580	—
Asset retirement obligations (Note 15)	63,881	—	768,263
Other long-term liabilities	11,677	9,250	140,444
Total long-term liabilities	814,650	858,455	9,797,354
CURRENT LIABILITIES:			
Short-term debt (Note 8)	16,246	21,182	195,384
Current portion of long-term debt and other (Notes 8 and 13)	110,972	92,305	1,334,603
Trade notes and accounts payable (Note 13)	30,320	18,749	364,650
Accrued income taxes and other (Note 6)	14,197	18,207	170,747
Other current liabilities	33,153	40,152	398,716
Total current liabilities	204,890	190,597	2,464,103
RESERVE FOR FLUCTUATION IN WATER LEVELS	6,976	4,594	83,905
Total liabilities	1,026,516	1,053,647	12,345,363
CONTINGENT LIABILITIES (Note 11)			
NET ASSETS (Note 10):			
SHAREHOLDERS' EQUITY			
Common stock:			
Authorized - 400,000,000 shares	117,641	117,641	1,414,811
Issued - 210,333,694 shares in 2011 and 220,333,694 shares in 2010			
Capital surplus	33,993	34,007	408,819
Retained earnings	202,760	216,386	2,438,492
Treasury stock, at cost	(3,263)	(15,120)	(39,250)
Total shareholders' equity	351,131	352,914	4,222,872
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on securities	3,514	5,298	42,266
Total net assets	354,646	358,212	4,265,138
TOTAL LIABILITIES AND NET ASSETS	¥1,381,163	¥1,411,859	\$16,610,502

See notes to consolidated financial statements.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	2011
OPERATING REVENUES	¥494,165	¥471,422	\$5,943,063
OPERATING EXPENSES (Note 14)	444,176	430,428	5,341,869
OPERATING INCOME	49,989	40,994	601,193
OTHER (INCOME) EXPENSES:			
Interest expense	17,505	15,403	210,527
Other, net	(3,142)	1,359	(37,792)
	14,362	14,044	172,735
INCOME BEFORE SPECIAL ITEMS, INCOME TAXES, AND MINORITY INTERESTS	35,626	26,949	428,458
SPECIAL ITEMS:			
Provision (reversal) of reserve for fluctuation in water levels	2,382	(998)	28,651
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,397	—	28,837
	4,780	(998)	57,488
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	30,846	27,948	370,969
INCOME TAXES:			
Current	12,950	10,209	155,753
Deferred	(1,192)	804	(14,341)
	11,758	11,014	141,412
INCOME BEFORE MINORITY INTERESTS	19,087	16,933	229,557
NET INCOME	¥19,087	¥16,933	\$229,557

See notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	2011
INCOME BEFORE MINORITY INTERESTS	¥19,087	¥16,933	\$229,557
OTHER COMPREHENSIVE INCOME:			
Net unrealized gain on securities	(1,757)	807	(21,135)
Share of other comprehensive income of associates accounted for using equity method	(26)	17	(314)
	(1,783)	825	(21,450)
COMPREHENSIVE INCOME	¥17,304	¥17,758	\$208,106
(Breakdown) Comprehensive income attributable to owners of the parent	17,304	17,758	208,106
	Yen	Yen	U.S. dollars (Note 3)
PER SHARE INFORMATION			
Net assets	¥1,698.07	¥1,674.63	\$20.42
Net income	89.99	79.16	1.08

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

	Number of shares of common stock	Shareholders' equity					Accumulated other comprehensive income	Millions of yen
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on securities	Total net assets
BALANCE AT MARCH 31, 2009	220,333,694	¥117,641	¥34,008	¥210,148	¥(15,082)	¥346,716	¥4,472	¥351,188
Cash dividends paid	—	—	—	(10,695)	—	(10,695)	—	(10,695)
Net income	—	—	—	16,933	—	16,933	—	16,933
Purchases of treasury stock	—	—	—	—	(52)	(52)	—	(52)
Disposal of treasury stock	—	—	(1)	—	14	13	—	13
Net changes in items other than shareholders' equity	—	—	—	—	—	—	825	825
BALANCE AT MARCH 31, 2010	220,333,694	117,641	34,007	216,386	(15,120)	352,914	5,298	358,212
Cash dividends paid	—	—	—	(10,695)	—	(10,695)	—	(10,695)
Net income	—	—	—	19,087	—	19,087	—	19,087
Purchases of treasury stock	—	—	—	—	(10,192)	(10,192)	—	(10,192)
Disposal of treasury stock	—	—	(2)	—	19	17	—	17
Retirement of treasury stock	(10,000,000)	—	(11)	(22,018)	22,030	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(1,783)	(1,783)
BALANCE AT MARCH 31, 2011	210,333,694	¥117,641	¥33,993	¥202,760	¥(3,263)	¥351,131	¥3,514	¥354,646

	Shareholders' equity					Accumulated other comprehensive income	Thousands of U.S. dollars (Note 3)
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on securities	Total net assets
BALANCE AT MARCH 31, 2010	\$1,414,811	\$408,983	\$2,602,363	\$(181,845)	\$4,244,313	\$63,717	\$4,308,030
Cash dividends paid	—	—	(128,624)	—	(128,624)	—	(128,624)
Net income	—	—	229,557	—	229,557	—	229,557
Purchases of treasury stock	—	—	—	(122,583)	(122,583)	—	(122,583)
Disposal of treasury stock	—	(24)	—	234	210	—	210
Retirement of treasury stock	—	(140)	(264,802)	264,942	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	(21,450)	(21,450)
BALANCE AT MARCH 31, 2011	\$1,414,811	\$408,819	\$2,438,492	¥(39,250)	\$4,222,872	\$42,266	\$4,265,138

Consolidated Statements of Cash Flows

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
	2011	2010	2011
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥30,846	¥27,948	\$370,969
Adjustments for:			
Depreciation and amortization	95,047	97,886	1,143,079
Loss on impairment of fixed assets	441	1,106	5,307
Decommissioning costs of nuclear power units	3,211	—	38,627
Loss on disposal of property, plant and equipment	1,992	1,956	23,961
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,397	—	28,837
Increase in fund for reprocessing of irradiated nuclear fuel	(822)	(1,069)	(9,895)
(Decrease) increase in accrued employees' retirement benefits	(3,505)	665	(42,153)
Increase in reserve for reprocessing of irradiated nuclear fuel	811	1,044	9,753
Increase in reserve for reprocessing of irradiated nuclear fuel without specific plans	1,598	977	19,225
Increase in reserve for decommissioning costs of nuclear power units	—	2,517	—
Increase (decrease) in reserve for fluctuation in water levels	2,382	(998)	28,651
Interest and dividends income	(1,148)	(1,446)	(13,817)
(Increase) decrease in trade notes and accounts receivable	(1,302)	1,715	(15,669)
(Increase) decrease in inventories	(1,927)	10,945	(23,181)
Increase (Decrease) in trade notes and accounts payable and other	9,835	(1,750)	118,287
Interest expense	17,505	15,403	210,527
Other, net	7,718	4,750	92,823
	165,080	161,652	1,985,333
Interest and cash dividends received	1,184	1,463	14,248
Interest paid	(17,841)	(15,572)	(214,569)
Income taxes paid	(14,591)	(1,780)	(175,490)
Net cash provided by operating activities	133,831	145,762	1,609,522
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment and nuclear fuel	(68,037)	(51,402)	(818,252)
Contributions received in aid of construction	2,470	2,117	29,708
Proceeds from sales of property, plant and equipment	44	353	533
Increase in investments	(11,814)	(5,763)	(142,081)
Proceeds from investments	114	5,191	1,379
Net cash used in investing activities	(77,222)	(49,503)	(928,712)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	30,000	30,000	360,793
Redemption of bonds	(80,000)	(70,000)	(962,116)
Proceeds from long-term loans	10,000	10,000	120,264
Repayment of long-term loans	(30,494)	(38,762)	(366,740)
(Decrease) increase in short-term debt, net	(4,936)	39	(59,363)
Disposal of treasury stock	17	13	210
Purchases of treasury stock	(10,192)	(52)	(122,583)
Cash dividends paid	(10,677)	(10,681)	(128,417)
Other, net	(3)	(2)	(44)
Net cash used in financing activities	(96,287)	(79,445)	(1,157,997)
Effect of exchange rate changes on cash and cash equivalents	(0)	(0)	(0)
Net (decrease) increase in cash and cash equivalents	(39,678)	16,813	(477,187)
Cash and cash equivalents at beginning of the year	113,651	96,837	1,366,822
Cash and cash equivalents at end of the year (Note 7)	¥73,973	¥113,651	\$889,635

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of preparation

The accompanying consolidated financial statements of Hokuriku Electric Power Company (the "Company") and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded off. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

(b) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the Company and any significant companies controlled directly or indirectly by the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

Investments in significant companies over which the Company exercises significant influence in terms of their operating and financial policies are stated at cost plus equity in their undistributed earnings; consolidated net income includes the Company's equity in the current net earnings of the affiliates, after the elimination of unrealized intercompany profit.

Investments in unconsolidated subsidiaries and other affiliates, not significant in amount, are stated at cost.

(c) Property, plant and equipment and depreciation

Property, plant and equipment is principally stated at cost less contributions in aid of construction.

Depreciation of property, plant and equipment is computed principally by the declining-balance method over the estimated useful lives of the respective assets. In addition, refer to depreciation for assets corresponding to asset retirement obligation in specified nuclear power units.

Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income as incurred.

(d) Intangible fixed assets and amortization

Amortization of intangible fixed assets is computed by the straight-line method over the estimated useful lives of the respective assets.

(e) Assets corresponding to asset retirement obligations in specified nuclear power units

As for the method of depreciating cost of assets included in property, plant and equipment corresponding to asset retirement obligations associated with decommissioning of specified nuclear power units, paragraph 8 of "Guidance on Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued on March 31, 2008) is applied, and the estimated total decommissioning costs of nuclear power units is depreciated as decommissioning costs in proportion to the amount of electricity actually generated by nuclear power over the estimated operation period of power generation equipment, based on the provisions of "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989).

(f) Nuclear fuel and amortization

Nuclear fuel is stated at cost less amortization. Amortization of loaded nuclear fuel is computed based on the quantity of energy produced for the generation of electricity.

(g) Investments in securities

Marketable equity securities, excluding investments in affiliates accounted for by the equity method, included in long-term investments are classified as other securities and carried at fair value with unrealized gain and loss on the securities, net of the applicable taxes, included in net assets. Non-marketable equity securities classified as other securities are carried at cost determined mainly by the moving average method or less impairment loss if the value of the investments has been significantly impaired. No debt securities were held on March 31, 2011.

(h) Inventories

Fuel, biomass and supplies are stated principally at the lower of cost or net realizable value, cost being determined principally by the average method.

(i) Employees' retirement benefits

Accrued employees' retirement benefits is accounted for based on the projected retirement benefit obligation less the fair value of the plan assets of the Company and the consolidated subsidiaries at the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

The prior service cost is amortized by the straight-line method over a period of ten years.

Actuarial gain or loss is amortized mainly by the declining-balance method over a period of three years from the year subsequent to the year in which it was recognized.

(j) Reserve for reprocessing of irradiated nuclear fuel

The reserve is stated at present value of the amount based upon 1.5% discount rate that would be required to reprocess the irradiated nuclear fuel incurred in proportion to combustion of nuclear fuel.

Of the reprocessing costs for the spent fuels produced by March 31, 2005, the unrecognized difference at transition of ¥12,653 million caused by the changes was amortized over a 15-year period from April 1, 2005 by straight-line method until the year ended March 31, 2008.

Due to revision of the act related to reserve for reprocessing of irradiated fuel in 2008, unrecognized difference at transition reduced. The revised unrecognized difference at transition, ¥9,752 million, has been amortized over a 12-year period from April 1, 2008 by straight-line method. Unrecognized difference at the transition on March 31, 2010 and 2011 were ¥8,127 million and ¥7,314 million (\$87,966 thousand), respectively.

The variance incurred from the estimate and actual costs for reprocessing of irradiated fuel is recognized from the following period over the periods during which the spent fuels covered by specific reprocessing plans are produced. The unrecognized difference of the estimates on March 31 2010 and 2011 are loss of ¥73 million and gain of ¥546 million (\$6,575 thousand), respectively.

(k) Reserve for reprocessing of irradiated nuclear fuel without specific plans

The reserve for reprocessing of irradiated nuclear fuel without specific plans is recognized, multiplying the quantity of irradiated nuclear fuel incurred by the present value of reprocessing cost per unit of fuel (discount rate of 4.0%).

(l) Reserve for Fluctuation in Water Levels

To offset fluctuations in income in connection with hydroelectric power generation caused by varying water levels, the Company and a consolidated subsidiary are required to provide a reserve for fluctuation in water levels under the Electric Utility Industry Law.

(m) Income taxes

The provision for income taxes is accounted for based on the pretax income reported in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of the temporary differences between the carrying amounts recorded for financial reporting purposes and the tax bases of the assets and liabilities.

(n) Foreign currency translation

Accounts denominated in foreign currencies are translated into yen at the exchange rates in effect at each balance sheet date and the resulting gain or loss is recognized in the statements of income.

(o) Derivatives and hedging activities

The Company and its consolidated subsidiaries enter into various types of derivatives transactions ("derivatives") including forward foreign exchange contracts, and interest-rate swaps in order to hedge against market risk arising from changes in foreign exchange rates and interest rates associated with its assets and liabilities.

Forward foreign exchange contracts which are assigned to hedge payables denominated in foreign currencies are reflected in the consolidated balance sheets in yen at the contracted rates of exchange.

(p) Cash equivalents

All highly liquid investments with original maturities of three months or less, that are readily convertible to cash and present an insignificant risk of any changes in value, are considered cash equivalents.

(q) Amounts per share

Net income per share has been computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

Net assets per share are computed based on the net assets excluding share subscription rights and minority interests and the number of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective years together with any interim cash dividends paid.

(r) Reclassification

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

2. Accounting change

(a) Asset retirement obligations

Effective for the year ended March 31, 2011, the Company and its consolidated subsidiaries adopted "Accounting Standards for Asset Retirement Obligations" (Accounting Standard Board of Japan, statement No. 18 issued on March 31, 2008) and "Implementation guidance on Accounting Standards for Asset Retirement Obligations" (Accounting Standard Board of Japan No. 21, issued on March 31, 2008). For application of the accounting standards and guidance, "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989) is revised.

As a result, both "operating income" and "income before special items, income taxes and minority interest" for the current consolidated fiscal year decreased by ¥321 million (\$3,862 thousand) respectively, and "income before income taxes and minority interest" decreased by ¥2,718 million (\$32,699 thousand). The stated amount of asset retirement obligations at April 1, 2010 due to application of the accounting standards and guidance is ¥62,316 million

(\$749,445 thousand) (of which the amount transferred from the reserve for decommissioning costs of nuclear power units is ¥21,580 million (\$259,533 thousand)).

(b) Presentation of income before minority interests

Effective for the year ended March 31, 2011, the Company adopted "Cabinet Office Ordinance to Partially Revise Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5 of March 24, 2009) based on "Accounting Standards for Consolidated Financial Statements" (Accounting Standards Board of Japan Statement No. 22, issued on December 26, 2008).

Consequently, an item of "income before minority interests" is presented in the consolidated statement of income.

(c) Presentation of comprehensive income

Effective for the year ended March 31, 2011, the Company adopted "Accounting Standards for Presentation of Comprehensive Income" (Accounting Standards Board of Japan Statement No. 25, issued on June 30, 2010).

For comparison purpose, as for the amount of "accumulated other comprehensive income" in the consolidated balance sheet and consolidated statement of changes in net assets for the previous consolidated fiscal year, the amount of "valuation, translation adjustments and other" of the previous year was entered.

(d) Accounting method of retirement benefit

Effective for the fiscal year ended March 31, 2010, the Company and its consolidated subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefit (Part 3)" (Accounting Standards Board of Japan Statement No.19, issued on July 31, 2008). There was no effect of this adoption.

3. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the readers. The rate of ¥83.15 = U.S.\$1.00, the approximate exchange rate prevailing on March 31, 2011, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4. Property, Plant and Equipment

The major categories of property, plant and equipment at March 31, 2011 and 2010 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Hydroelectric power production facilities	¥456,924	¥440,895	\$5,495,180
Thermal power production facilities	820,994	817,213	9,873,652
Nuclear power production facilities	719,462	681,375	8,652,590
Transmission facilities	450,606	446,807	5,419,199
Transformation facilities	313,132	312,806	3,765,879
Distribution facilities	371,291	366,905	4,465,320
General facilities	108,158	106,753	1,300,766
Other facilities	105,691	99,309	1,271,088
	3,346,261	3,272,067	40,243,677
Less: Contributions in aid of construction	(64,749)	(61,993)	(778,705)
	3,281,512	3,210,073	39,464,971
Construction in progress	26,874	22,553	323,206
	¥3,308,387	¥3,232,627	\$39,788,178

5. Investments in Securities

The acquisition cost of marketable equity securities, excluding an investment in unconsolidated subsidiaries and affiliates accounted for by the equity method, included in long-term investments, the related gross unrealized gain or loss and aggregate market value (carrying amount) at March 31, 2011 and 2010 were summarized as follows:

	Millions of yen			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Aggregate market value
Marketable equity securities	2011			
	¥6,644	¥5,852	¥(361)	¥12,134
	2010			
	¥6,615	¥8,324	¥(82)	¥14,857

	Thousands of U.S. dollars			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Aggregate market value
Marketable equity securities	2011			
	\$79,907	\$70,383	\$(4,352)	\$145,939
	2010			
	\$79,907	\$83,244	\$(82)	\$148,571

Non-marketable securities were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Other securities	Carrying value	Carrying value	Carrying value
	¥41,631	¥30,239	\$500,681

Impairment loss of other securities was as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Equity securities	¥287	¥324	\$3,452

Investment in unconsolidated subsidiaries and affiliates included in "Other assets" as of March 31, 2011 and 2010 amounted to ¥9,172 million (\$110,317 thousand) and ¥8,624 million, respectively.

6. Income Taxes

The Company and one of its electric utility subsidiary are subject to corporation tax and inhabitant' taxes based on income, which, in the aggregate, resulted in a statutory tax rate of approximately 36.1% for the years ended March 31, 2011 and 2010, respectively.

Other consolidated subsidiaries are also subject to corporation tax, inhabitant' taxes and enterprise tax based on income, which, in the aggregate, resulted in statutory tax rates of approximately 41.7% for the years ended March 31, 2011 and 2010, respectively.

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2011 and 2010 were summarized as follows:

	2011	2010
Statutory tax rate	36.1%	36.1%
Increase (decrease) in taxes resulting from:		
Statutory tax rate differences between the Company and consolidated subsidiaries	1.3	1.0
Valuation allowance	1.1	2.6
Non-deductible expenses for the tax purposes	0.6	0.6
Other	(1.0)	(0.9)
Effective tax rate	38.1%	39.4%

The significant components of deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Deferred tax assets:			
Asset Retirement Obligations	¥14,983	¥—	\$180,203
Depreciation	12,537	11,670	150,777
Accrued employees' retirement benefits	12,425	13,644	149,434
Deferred charges for tax purposes	3,417	3,589	41,104
Reserve for fluctuation in water levels	2,521	1,660	30,326
Expenses of disposition of polychlorinated biphenyl wastes	2,449	2,583	29,453
Reserve for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel without specific plans	2,346	1,771	28,218
Accrued enterprise taxes	1,132	1,028	13,625
Expenses of CO ₂ emission credit	—	934	—
Provision for decommissioning costs of nuclear power units	—	739	—
Elimination of unrealized intercompany profits	1,158	1,395	13,932
Other	16,973	15,648	204,135
Gross deferred tax assets	69,946	54,666	841,211
Less: Valuation allowance	(5,252)	(4,920)	(63,172)
Total deferred tax assets	64,693	49,746	778,038
Deferred tax liabilities:			
Assets corresponding to asset retirement obligations	(13,261)	—	(159,491)
Net unrealized gain on securities	(1,970)	(2,964)	(23,697)
Other	(5)	(56)	(69)
Total deferred tax liabilities	(15,237)	(3,021)	(183,258)
Net deferred tax assets	¥49,455	¥46,724	\$594,779

7. Supplementary Cash Flow Information

At March 31, 2011 and 2010, the reconciliation between cash and cash equivalents on the consolidated statements of cash flows and cash on the consolidated balance sheets were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Cash	¥73,973	¥113,651	\$889,635
Cash and cash equivalents	¥73,973	¥113,651	\$889,635

Significant non-cash transactions for the year ended March 31, 2011 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Increase of asset retirement obligation	¥63,881	¥—	\$768,263

(Note)

"Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18, issued on March 31, 2008) and "Implementation Guidance on Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued on March 31, 2008) are applied from the current consolidated fiscal year, and ¥21,580 million (\$259,533 thousand) transferred from the reserve for decommissioning costs of nuclear power units and ¥2,397 million (\$28,837 thousand) stated as Special Items are included in the "Increase of asset retirement obligation" above.

8. Short-Term Debt and Long-Term Debt

At March 31, 2011 and 2010, short-term debt and long-term debt consisted of the following:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
(1) Short-term debt	2011	2010	2011
Loans: From banks and other sources, at a weighted-average interest rate of 0.29% in 2011 and 0.41% in 2010	¥16,246	¥21,182	\$195,384
	¥16,246	¥21,182	\$195,384
(2) Long-term debt	2011	2010	2011
Domestic bonds: 0.50% to 3.95% due serially through 2020	¥543,598	¥593,584	\$6,537,564
Loans: 1.05% to 5.00% loans from Development Bank of Japan Inc. due serially through 2023	68,541	79,102	824,305
0.453% to 2.80% loans from other banks, insurance companies and other sources due serially through 2025	170,121	180,054	2,045,959
	782,261	852,741	9,407,829
Less: Current portion	(107,452)	(90,494)	(1,292,278)
	¥674,808	¥762,246	\$8,115,551

The aggregate annual maturities of long-term debt subsequent to March 31, 2011 were summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2012	¥107,452	\$1,292,278
2013	86,223	1,036,961
2014	83,129	999,755
2015	89,291	1,073,855
2016	72,921	876,982
2017 and thereafter	343,242	4,127,994
	¥782,260	\$9,407,826

All the Company's assets are subject to certain statutory preferential rights as security for its bonds and loans from Development Bank of Japan Inc.

The assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥5,304 million (\$63,797 thousand) at March 31, 2011 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Electric power production facilities	¥9,691	\$116,548
Other facilities	7,270	87,433
	¥16,961	\$203,981

9. Accrued Employees' Retirement Benefits

At March 31, 2011, the Company and its consolidated subsidiaries have the defined benefit plans, including lump-sum retirement benefit plan, defined benefit corporate pension plan, welfare pension fund plan and company sponsored pension plan.

The company also provides employees with the options of either the defined contribution pension plan or the prepayment plan, in addition to the lump-sum retirement benefit plan and the defined benefit corporate pension plan.

The funded status of retirement benefit obligations at March 31, 2011 and 2010 are summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Projected benefit obligation	¥(82,861)	¥(80,471)	\$(996,526)
Fair value of pension plan assets	52,505	48,936	631,454
	(30,355)	(31,535)	(365,071)
Unrecognized actuarial gain or loss	2,004	989	24,107
Unrecognized prior service cost	(5,240)	(6,551)	(63,028)
Net amount recognized	(33,591)	(37,097)	(403,992)
Accrued employees' retirement benefits	¥(33,591)	¥(37,097)	\$(403,992)

The components of net pension and severance costs for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Service cost	¥3,532	¥3,493	\$42,488
Interest cost	1,566	1,425	18,842
Expected return on plan asset	(978)	(826)	(11,770)
Amortization of unrecognized actuarial gain or loss	507	3,649	6,101
Amortization of unrecognized prior service cost (Note 2)	(1,310)	(1,310)	(15,757)
Others (Note 3)	3,131	832	37,661
Pension and severance costs	¥6,449	¥7,265	\$77,566

(Note1) In addition to pension and severance costs above, additional retirement benefits included in operating expenses for the years ended March 31, 2011 and 2010 amounted to ¥1,609 million (\$19,352 thousand) and ¥740 million, respectively.

(Note2) This cost represents amortization in the current fiscal year concerning the prior service cost included in the note of the above funded status.

(Note3) Others include ¥681 million (\$8,196 thousand) and ¥664 million as the installments of defined contribution pension plan, ¥56 million (\$682 thousand) and ¥57 million for the prepayment plan and ¥2,393 million (\$28,782 thousand) as the amount migrated from closed pension scheme to the defined benefit scheme for the years ended March 31, 2011.

The principal assumptions used for the years ended March 31, 2011 and 2010 are summarized as follows:

	2011	2010
Method of allocation of estimated retirement benefits	Equally over the period	Equally over the period
Discount rate	mainly 2.0%	mainly 2.0%
Expected rate of return on plan assets	2.0%	2.0%
Period for amortization of prior service cost (straight-line method)	10 years	10 years
Period for amortization of unrecognized actuarial differences (declining balance method)	3 years	3 years

10. Net Assets

Retained earnings include a legal reserve provided in accordance with the Corporation Law of Japan (the "Law"). The Law provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and legal reserve, respectively, until the aggregated amount of capital reserve and legal reserve equals 25% of the common stock account. The legal reserve amounted to ¥28,386 million (\$341,389 thousand) at March 31, 2011.

The capital reserve and legal reserve are not available for dividends but may be transferred to capital surplus or retained earnings or stated capital upon approval of the shareholders' meeting.

Information regarding dividends for the year ended March 31, 2011 and 2010 is as follows:

(1) Dividends paid

For the year ended March 31, 2011

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Dividends per share (yen)	Dividends per share (U.S. dollars)	Cut-off date	Effective date
Meeting of the Board of Directors on October 29, 2010	Common stock	¥5,347	\$64,311	¥25	\$0.30	September 30, 2010	November 30, 2010

For the year ended March 31, 2010

Resolution	Type of shares	Total dividends (millions of yen)	Dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 26, 2009	Common stock	¥5,348	¥25	March 31, 2009	June 29, 2009
Meeting of the Board of Directors on October 31, 2009	Common stock	¥5,347	¥25	September 30, 2009	November 30, 2009

(2) Dividends with the cut-off date in the year ended March 31, 2011 and the effective date in the year ending March 31, 2012

Resolution	Type of shares	Total dividends (millions of yen)	Total dividends (thousands of U.S. dollars)	Source of dividends	Dividends per share (yen)	Dividends per share (U.S. dollars)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 28, 2011	Common stock	¥5,221	\$62,794	Retained earnings	¥25	\$0.30	March 31, 2011	June 29, 2011

Dividends with the cut-off date in the year ended March 31, 2010 and the effective date in the year ending March 31, 2011

Resolution	Type of shares	Total dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 29, 2010	Common stock	¥5,347	Retained earnings	¥25	March 31, 2010	June 30, 2010

11. Contingent Liabilities

The Company's contingent liabilities at March 31, 2011 as a co-guarantor for the indebtedness of others totaled ¥57,738 million (\$694,387 thousand) including ¥41,182 million (\$495,283 thousand) of a co-guarantor of indebtedness of Japan Nuclear Fuel Ltd.

In addition, the Company's debt assumption arrangements with banks amounted to ¥72,170 million (\$867,949 thousand) at March 31, 2011.

12. Leases

(a) Lessee

Finance leases other than those which are stipulated to transfer the ownership of the leased assets to the lessee, contracted before March 31, 2008 are accounted for in a method similar to that used for operating leases as before.

For those finance leases, pro forma information of the leased assets such as acquisition costs, accumulated depreciation and lease obligations on an "as if capitalized" basis for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		
	2011		
	Electric facilities	Other facilities	Total
Acquisition costs	¥3	¥4	¥8
Less: Accumulated depreciation	2	3	5
Net leased assets	¥1	¥1	¥2
	Millions of yen		
	2010		
	Electric facilities	Other facilities	Total
Acquisition costs	¥3	¥21	¥25
Less: Accumulated depreciation	1	13	15
Net leased assets	¥2	¥7	¥9

	Thousands of U.S. dollars		
	2011		
	Electric facilities	Other facilities	Total
Acquisition costs	\$44	\$52	\$97
Less: Accumulated depreciation	26	37	64
Net leased assets	\$17	\$14	\$32

Obligations under finance leases as of March 31, 2011

	Millions of yen	Thousands of U.S. dollars
Due within one year	¥1	\$19
Due after one year	1	13
Total	¥2	\$32

The amounts of leased assets and obligations under finance leases include the imputed interest expense portion.

Lease payments under finance leases accounted for as operating leases in the accompanying consolidated financial statements totaled ¥5 million (\$63 thousand) and ¥6 million, which were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms, for the years ended March 31, 2011 and 2010, respectively.

(b) Lessor

Finance leases other than those which are stipulated to transfer the ownership of the leased assets to the lessee, contracted before March 31, 2008 are accounted for in a method similar to that used for operating leases as before.

For those finance leases, pro forma information of the leased assets such as acquisition costs, accumulated depreciation and lease obligations on an "as if capitalized" basis for the years ended March 31, 2011 and 2010 are summarized as follows:

Millions of yen		
2011		
	Other facilities	Total
Acquisition costs	¥—	¥—
Less: Accumulated depreciation	—	—
Net leased assets	¥—	¥—

Millions of yen		
2010		
	Other facilities	Total
Acquisition costs	¥5	¥5
Less: Accumulated depreciation	4	4
Net leased assets	¥0	¥0

Thousands of U.S. dollars		
2011		
	Other facilities	Total
Acquisition costs	\$—	\$—
Less: Accumulated depreciation	—	—
Net leased assets	\$—	\$—

Future lease revenues under finance leases at March 31, 2011

Millions of yen Thousands of U.S. dollars		
Due within one year	¥1	\$18
Due after one year	—	—
Total	¥1	\$18

Total revenues under finance leases include the imputed interest revenues. Revenues under finance leases accounted for as operating leases in the accompanying consolidated financial statements for the year ended March 31, 2011 and 2010 totaled ¥4 million (\$56 thousand) and ¥6 million, respectively.

Depreciation expense relating to the leased assets was ¥0 million (\$0 thousand) and ¥0 million for the year ended March 31, 2011 and 2010, respectively.

13. Financial Instruments

Overview

(1) Policy for financial instruments

In consideration of plans for capital investment for the electricity business, the Company and its consolidated subsidiaries (collectively, the "Group") raise funds through corporate bonds and bank borrowings. The Group manages temporary cash surpluses through short-term deposits.

The Group uses derivatives for the purpose of reducing foreign currency exchange risk and interest rate fluctuation risk, and does not enter into derivatives for speculative or trading purposes.

(2) Types of financial instruments, related risk and risk management for financial instruments

Long-term investments (other securities) are composed of mainly shares of common stock of other companies with which the Group has business relationships. Those securities are exposed to market risk. The Group periodically reviews the fair values of such financial instruments and the financial position of the issuers.

The fund for reprocessing of irradiated nuclear fuel is made in accordance with the "Spent Nuclear Fuel Reprocessing Fund Act" (Act No.48 of 2005). The Group allocates the reserved amount as notified by the Minister of Economy, Trade and Industry, to the fund management corporation authorized in the act.

Trade notes and accounts receivable are composed of mainly electricity charges and power charges. Those receivables are exposed to credit risk in relation to customers. In accordance with the Rules for Supply of Electricity and other regulations for managing credit risk arising from receivables, each related

division monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by individual customer.

Interest-bearing liabilities are exposed to interest rate fluctuation risk. However, those liabilities are composed of mainly corporate bonds and long-term debt, of which the interest rates are fixed in the medium and long term.

Substantially all trade notes and accounts payable have payment due dates within one year. Although the Group is exposed to foreign currency exchange risk arising from those payables denominated in foreign currencies, forward foreign exchange contracts are arranged to reduce the risk.

The financial liabilities are exposed to liquidity risk. However, to reduce such risk, the Group sets the authorized limits of short-term corporate bonds, concludes the commitment-line contracts and keeps appropriate cash balances.

Derivatives are exposed to credit risk of counterparties. However, to reduce such risk, transactions involving derivatives are conducted in compliance with its internal policies. And the counterparties to derivatives positions are limited to major financial institutions with high credit ratings.

(3) Supplementary explanations of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market prices, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair values.

Estimated Fair Value of Financial Instruments

Carrying value of financial instruments on the consolidated balance sheet and estimated fair value for the year ended March 31, 2011 and 2010 are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value (Please refer to Note 2 below).

Millions of yen			
As of March 31, 2011	Carrying value	Estimated fair value	Difference
Assets			
① Long-term investments (other securities)	¥12,134	¥12,134	¥—
② Fund for reprocessing of irradiated nuclear fuel	24,966	24,966	—
③ Cash	73,973	73,973	—
④ Trade notes and accounts receivable	38,252	38,252	—
Liabilities			
⑤ Corporate bonds (*)	¥543,598	¥561,922	¥18,323
⑥ Long-term debt (*)	238,662	248,892	10,229
⑦ Short-term debt	15,018	15,018	—
⑧ Trade notes and accounts payable	22,344	22,344	—

Millions of yen			
As of March 31, 2010	Carrying value	Estimated fair value	Difference
Assets			
① Long-term investments (other securities)	¥14,857	¥14,857	¥—
② Fund for reprocessing of irradiated nuclear fuel	24,143	24,143	—
③ Cash	113,651	113,651	—
④ Trade notes and accounts receivable	36,949	36,949	—
Liabilities			
⑤ Corporate bonds (*)	¥593,584	¥616,333	¥22,748
⑥ Long-term debt (*)	259,157	271,624	12,467
⑦ Short-term debt	20,216	20,216	—
⑧ Trade notes and accounts payable	11,239	11,239	—

Thousands of U.S. dollars			
As of March 31, 2011	Carrying value	Estimated fair value	Difference
Assets			
① Long-term investments (other securities)	\$145,939	\$145,939	\$—
② Fund for reprocessing of irradiated nuclear fuel	300,255	300,255	—
③ Cash	889,635	889,635	—
④ Trade notes and accounts receivable	460,043	460,043	—
Liabilities			
⑤ Corporate bonds (*)	\$6,537,564	\$6,757,932	\$220,368
⑥ Long-term debt (*)	2,870,264	2,993,289	123,025
⑦ Short-term debt	180,618	180,618	—
⑧ Trade notes and accounts payable	268,719	268,719	—

(*) Current portion of long-term debt and other is included in corporate bonds and long-term debt.

(Note 1)

Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

① Long-term investments (other securities)

The fair value of stocks is based on quoted market prices. For information on securities classified by holding purpose, please refer to Note 5 Investments in securities.

② Fund for reprocessing of irradiated nuclear fuel

The fund is made in accordance with the "Spent Nuclear Fuel Reprocessing Fund Act" (Act No.48 of 2005). For the redemption of the fund, it is necessary to comply with the redemption plan approved by the Minister of Economy, Trade and Industry. The carrying value of the fund is based on the present value determined by redemption schedule of the plan.

③ Cash and ④ Trade notes and accounts receivable

Since these items are settled in a short period of time, their carrying value approximates fair value.

⑤ Corporate bonds

The fair value of bonds is based on either the quoted market price when available or present value of the total of principal and interest discounted by an interest rate determined taking into account the remaining period of each bond and current credit risk.

⑥ Long-term debt

The fair value of long-term debt is based on the present value of the total of principal and interest discounted by the interest rate to be applied if similar new borrowings were entered into.

⑦ Short-term debt and ⑧ Trade notes and accounts payable

Since these items are settled in a short period of time, their carrying value approximates fair value.

(Note 2)

Financial instruments for which it is extremely difficult to determine the fair value

Carrying Value	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Unlisted stocks	¥40,987	¥29,592	\$492,936
Investment securities	637	637	7,671
Other	6	9	74
	¥41,631	¥30,239	\$500,681

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the preceding table.

(Note 3) Redemption schedule for receivables

Millions of yen			
As of March 31, 2011	2012	2013 and thereafter	
Fund for reprocessing of irradiated nuclear fuel (*)	¥5,430	¥—	¥—
Cash	73,973	—	—
Trade notes and accounts receivable	38,252	—	—
	¥117,656	¥—	¥—

Millions of yen		
As of March 31, 2010	2011	2012 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	¥5,267	¥—
Cash	113,651	—
Trade notes and accounts receivable	36,949	—
	¥155,868	¥—

Thousands of U.S. dollars		
As of March 31, 2011	2012	2013 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	\$65,312	\$—
Cash	889,635	—
Trade notes and accounts receivable	460,043	—
	\$1,414,992	\$—

(*) Regarding fund for reprocessing of irradiated nuclear fuel, only the amount due in one year or less is disclosed.

(Note 4) The redemption schedule for long-term debt is disclosed in Note 8.

14. Research and Development Expenses

Research and development expenses included in operating expenses for the years ended March 31, 2011 and 2010 totaled ¥3,014 million (\$36,254 thousand) and ¥3,105 million, respectively.

15. Asset Retirement Obligations

(1) Overview

Asset retirement obligations are stated for decommissioning of specific nuclear power units prescribed by "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors."

The estimated total decommissioning costs of nuclear power units are depreciated as decommissioning costs in proportion to the amount of electricity actually generated by nuclear power over the estimated operation period of power generation equipment, based on the provisions of "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989).

(2) Accounting method of asset retirement obligations

The estimated remaining years are calculated by deducting the period after commencement of operation from the estimated operation period of power generation equipment which can be the basis of calculation of the estimated total amount of electricity to be generated, by each unit of nuclear power generation equipment. 2.3% is utilized as discount rate.

(3) Increase in asset retirement obligations

Millions of yen Thousands of U.S. dollars of yen		
	Millions of yen	Thousands of U.S. dollars of yen
Balance at March 31, 2010	¥—	\$—
Increase	67,092	806,890
Decrease	3,211	38,627
Balance at March 31, 2011	¥63,881	\$768,263

(Note)

"Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18, issued on March 31, 2008) and "Implementation Guidance on Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued on March 31, 2008) are applied from the current consolidated fiscal year, and ¥21,580 million (\$259,533 thousand) transferred from the reserve for decommissioning costs of nuclear power units and ¥2,397 million (\$28,837 thousand) stated as Special Items are included in the "Increase" above.

16. Segment Information

(1) Overview of reportable segment

The Company's business segment consists of companies from which separated financial information can be obtained in order for the board of managing directors and the board of directors to decide the distribution of management resources and evaluate performance. Of these, the "electricity" segment that accounts for the major portion of our whole business is defined as the reportable segment, and other businesses are classified as "others."

In the "electricity" segment, the Company supplies electricity to the three prefectures in the Hokuriku region [Toyama, Ishikawa and Fukui (partly excluded)] and part of Gifu Prefecture, and the Nihonkai Power Generating supplies electricity to the Company on a wholesale basis.

(2) Accounting policies of each reportable segment

The accounting policies of the segments are substantially the same as described in the Summary of Significant Accounting Policies in Note 1. Segment performance is evaluated based on operating income or loss. Intersegment sales are arm's length transaction.

(3) Information about each reportable segment

Millions of yen					
2011					
	Electricity	Other	Total	Adjustment and eliminations	Consolidated
Sales to customers	¥480,361	¥13,804	¥494,165	¥—	¥494,165
Inter-segment sales	614	33,805	34,420	(34,420)	—
Total operating revenues	480,976	47,609	528,586	(34,420)	494,165
Segment income	45,930	4,113	50,044	(55)	49,989
Segment assets	1,339,243	62,908	1,402,151	(20,988)	1,381,163
Depreciation and amortization	83,443	3,991	87,435	(288)	87,147
Capital expenditure	81,072	2,527	83,600	(283)	83,316

Millions of yen					
2010					
	Electricity	Other	Total	Adjustment and eliminations	Consolidated
Sales to customers	¥457,999	¥13,423	¥471,422	¥—	¥471,422
Inter-segment sales	610	34,139	34,749	(34,749)	—
Total operating revenues	458,610	47,562	506,172	(34,749)	471,422
Segment income	37,353	3,604	40,957	36	40,994
Segment assets	1,368,020	62,029	1,430,050	(18,190)	1,411,859
Depreciation and amortization	86,924	4,352	91,276	(297)	90,979
Capital expenditure	46,749	3,751	50,501	(240)	50,261

Thousands of U.S. dollars					
2011					
	Electricity	Other	Total	Adjustment and eliminations	Consolidated
Sales to customers	\$5,777,045	\$166,017	\$5,943,063	\$—	\$5,943,063
Inter-segment sales	7,394	406,561	413,955	(413,955)	—
Total operating revenues	5,784,439	572,578	6,357,018	(413,955)	5,943,063
Segment income	552,380	49,475	601,856	(662)	601,193
Segment assets	16,106,353	756,568	16,862,921	(252,418)	16,610,503
Depreciation and amortization	1,003,531	48,007	1,051,538	(3,464)	1,048,073
Capital expenditure	975,016	30,402	1,005,418	(3,412)	1,002,006

(Note)

Other segment represents construction and maintenance of the electrical power facilities, information, telecommunications and other.

(Relevant information)

(1) Information by product or service

Presentation of such information is omitted because sale of single product or service to external customers exceed 90% of the sales entered in the consolidated statement of income.

(2) Information by respective areas

Presentation of such information is omitted because there are no sales to overseas customers and no tangible fixed assets located overseas.

(Additional information)

Effective for the year ended March 31, 2011, the Company adopted "Accounting Standards for Disclosure of Segment Information and Others" (Accounting Standards Board of Japan Statement No. 17, issued on March 27, 2009) and "Implementation Guidance on Accounting Standards for Disclosure of Segment Information and Others" (Accounting Standards Board of Japan Guidance No. 20, issued on March 21, 2008).

The segment information about the businesses in the previous consolidated fiscal year was presented in the same classification as the reportable segment in the current consolidated fiscal year.

17. Related Party Transactions

Significant transactions of the Company with a corporate auditor for the years ended March 31, 2011 and 2010 were as follows:

Akira Miyama (Corporate auditor of the Company)

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2011	2010	2011
Transactions for the year ended March 31			
Borrowings	¥108,250	¥54,400	\$1,301,864
Payment of interest	292	293	3,521
Balances as of March 31			
Long-term debt	19,500	16,500	234,515
Short-term debt	3,360	4,450	40,408
Other current liabilities	90	86	1,091

(Note)

Akira Miyama who is a corporate auditor, is concurrently the chairman of The Hokkoku Bank, LTD (the "Bank"). The Company borrowed from the Bank of which he is a representative, and interest rate has been decided reasonably considering the market rate of interest.



Ernst & Young ShinNihon LLC

Report of Independent Auditors

The Board of Directors
Hokuriku Electric Power Company

We have audited the accompanying consolidated balance sheets of Hokuriku Electric Power Company and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hokuriku Electric Power Company and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2 to the consolidated financial statements, effective for the year ended March 31, 2011, the Company and consolidated subsidiaries adopted "Accounting Standards for Asset Retirement Obligations" and "Implementation guidance on Accounting Standards for Asset Retirement Obligations".

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon LLC

Toyama Japan
June 28, 2011

Non-Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY
As of March 31, 2011 and 2010

Non-Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
ASSETS	2011	2010	2011
PROPERTY, PLANT AND EQUIPMENT:	¥3,271,047	¥3,195,773	\$39,339,111
Less: Contributions in aid of construction	(55,510)	(53,714)	(667,597)
Accumulated depreciation	(2,236,724)	(2,166,705)	(26,899,868)
Property, plant and equipment, net	978,812	975,353	11,771,645
NUCLEAR FUEL:			
Loaded nuclear fuel	19,027	23,511	228,833
Nuclear fuel in processing	70,761	58,501	851,015
Total nuclear fuel	89,789	82,012	1,079,849
INVESTMENTS AND OTHER ASSETS:			
Long-term investments	55,281	46,622	664,835
Investments in subsidiaries and affiliates	23,580	23,575	283,583
Fund for reprocessing of irradiated nuclear fuel	24,966	24,143	300,255
Deferred income taxes	36,831	33,458	442,956
Other assets	259	1,083	3,115
Total investments and other assets	140,918	128,883	1,694,746
CURRENT ASSETS:			
Cash	71,877	111,191	864,425
Trade notes and accounts receivable	36,621	35,130	440,428
Inventories	20,006	18,365	240,602
Deferred income taxes	7,576	8,110	91,115
Other current assets	6,102	23,558	73,394
Total current assets	142,183	196,356	1,709,967
TOTAL ASSETS	¥1,351,703	¥1,382,606	\$16,256,208

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
LIABILITIES AND NET ASSETS	2011	2010	2011
LONG-TERM DEBT:			
Long-term debt	¥668,232	¥753,909	\$8,036,465
Accrued employees' retirement benefits	27,733	31,409	333,532
Reserve for reprocessing of irradiated nuclear fuel	25,670	24,859	308,731
Reserve for reprocessing of irradiated nuclear fuel without specific plans	5,019	3,421	60,371
Reserve for decommissioning costs of nuclear power units	—	21,580	—
Asset retirement obligations	63,881	—	768,263
Other long-term liabilities	11,033	8,777	132,694
Total long-term liabilities	801,570	843,957	9,640,058
CURRENT LIABILITIES:			
Short-term debt	22,300	26,900	268,190
Current portion of long-term debt and other	109,204	90,193	1,313,346
Trade notes and accounts payable	25,580	15,243	307,647
Accrued income taxes and other	12,883	17,130	154,941
Accrued expenses	26,066	32,346	313,487
Accrued directors' bonuses	80	80	962
Other current liabilities	10,819	9,967	130,120
Total current liabilities	206,934	191,861	2,488,694
RESERVE FOR FLUCTUATION IN WATER LEVELS	6,976	4,594	83,905
Total liabilities	1,015,482	1,040,413	12,212,659
NET ASSETS:			
SHAREHOLDERS' EQUITY			
Common stock: Authorized - 400,000,000 shares Issued - 210,333,694 shares in 2011 and 220,333,694 shares in 2010	117,641	117,641	1,414,811
Capital surplus: Legal capital surplus	33,993	33,993	408,819
Other capital surplus	—	13	—
Retained earnings: Legal reserve	28,386	28,386	341,389
Reserve for overseas investment loss	7	7	85
Reserve for cost fluctuation adjustments	47,500	47,500	571,256
General reserve	80,000	80,000	962,116
Retained earnings brought forward	28,442	44,502	342,067
Treasury stock, at cost	(3,263)	(15,120)	(39,250)
Total shareholders' equity	332,707	336,924	4,001,295
VALUATION, TRANSLATION ADJUSTMENT AND OTHER			
Net unrealized gain on securities	3,513	5,268	42,253
Total net assets	336,221	342,193	4,043,548
TOTAL LIABILITIES AND NET ASSETS	¥1,351,703	¥1,382,606	\$16,256,208

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S.\$1.00, the approximate rate of exchange at March 31, 2011.

Non-Consolidated Statements of Incomes

	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars 2011
OPERATING REVENUES	¥482,748	¥460,290	\$5,805,750
OPERATING EXPENSES:			
Personnel expenses	53,855	52,473	647,685
Fuel	82,478	81,953	991,922
Purchased power	49,934	43,787	600,532
Maintenance	62,922	55,617	756,734
Depreciation	82,598	86,240	993,373
Taxes other than income taxes	30,623	30,369	368,295
Other	73,707	72,134	886,440
	436,120	422,575	5,244,984
OPERATING INCOME	46,627	37,715	560,766
OTHER (INCOME) EXPENSES:			
Interest expense	17,271	15,114	207,714
Other, net	(2,100)	(1,330)	(25,256)
	15,171	13,784	182,458
INCOME BEFORE SPECIAL ITEMS AND INCOME TAXES	31,456	23,930	378,307
SPECIAL ITEMS:			
Provision (reversal) of reserve for fluctuation in water levels	2,382	(998)	28,651
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,397	—	28,837
	4,780	(998)	57,488
INCOME BEFORE INCOME TAXES	26,676	24,929	320,819
INCOME TAXES:			
Current	11,323	8,882	136,181
Deferred	(1,300)	863	(15,645)
	10,022	9,745	120,535
NET INCOME	¥16,653	¥15,183	\$200,283
PER SHARE:	Yen	Yen	U.S. dollars
Net income	¥78.52	¥70.98	\$0.94
Cash dividends	50.00	50.00	0.60

Non-Consolidated Statements of Changes in Net Assets

	Number of shares of common stock	Shareholders' equity										Valuation, translation adjustments and other		Total net assets
		Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock at cost	Total shareholders' equity	Net unrealized gain on securities		
			Legal capital surplus	Other capital surplus		Other retained earnings								
						Reserve for overseas investment loss	Reserve for cost fluctuation adjustments	General reserve	Retained earnings brought forward					
BALANCE AT MARCH 31, 2009	220,333,694	¥117,641	¥33,993	¥15	¥28,386	¥—	¥51,500	¥80,000	¥36,022	¥(15,082)	¥332,476	¥4,466	¥336,942	
Reserve for overseas investment loss	—	—	—	—	—	7	—	—	(7)	—	—	—	—	
Reversal of reserve for cost fluctuation adjustments	—	—	—	—	—	—	(4,000)	—	4,000	—	—	—	—	
Cash dividends paid	—	—	—	—	—	—	—	—	(10,695)	—	(10,695)	—	(10,695)	
Net income	—	—	—	—	—	—	—	—	15,183	—	15,183	—	15,183	
Purchases of treasury stock	—	—	—	—	—	—	—	—	—	(52)	(52)	—	(52)	
Disposal of treasury stock	—	—	—	(1)	—	—	—	—	—	14	13	—	13	
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	—	802	802	
BALANCE AT MARCH 31, 2010	220,333,694	117,641	33,993	13	28,386	7	47,500	80,000	44,502	(15,120)	336,924	5,268	342,193	
Cash dividends paid	—	—	—	—	—	—	—	—	(10,695)	—	(10,695)	—	(10,695)	
Net income	—	—	—	—	—	—	—	—	16,653	—	16,653	—	16,653	
Purchases of treasury stock	—	—	—	—	—	—	—	—	—	(10,192)	(10,192)	—	(10,192)	
Disposal of treasury stock	—	—	—	(2)	—	—	—	—	—	19	17	—	17	
Retirement of treasury stock	(10,000,000)	—	—	(11)	—	—	—	—	(22,018)	22,030	—	—	—	
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	—	(1,755)	(1,755)	
BALANCE AT MARCH 31, 2011	220,333,694	¥117,641	¥33,993	¥—	¥28,386	¥7	¥47,500	¥80,000	¥28,442	¥(3,263)	¥332,707	¥3,513	¥336,221	

	Common stock	Shareholders' equity										Valuation, translation adjustments and other		Total net assets
		Legal capital surplus	Other capital surplus	Legal reserve	Retained earnings				Treasury stock at cost	Total shareholders' equity	Net unrealized gain on securities			
					Other retained earnings									
					Reserve for overseas investment loss	Reserve for cost fluctuation adjustments	General reserve	Retained earnings brought forward						
BALANCE AT MARCH 31, 2010	\$1,414,811	\$408,819	\$164	\$341,389	\$85	\$571,256	\$962,116	\$535,211	\$(181,845)	\$4,052,009	\$63,362	\$4,115,371		
Cash dividends paid	—	—	—	—	—	—	—	(128,624)	—	(128,624)	—	(128,624)		
Net income	—	—	—	—	—	—	—	200,283	—	200,283	—	200,283		
Purchases of treasury stock	—	—	—	—	—	—	—	—	(122,583)	(122,583)	—	(122,583)		
Disposal of treasury stock	—	—	(24)	—	—	—	—	—	234	210	—	210		
Retirement of treasury stock	—	—	(140)	—	—	—	—	(264,802)	264,942	—	—	—		
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	(21,109)	(21,109)		
BALANCE AT MARCH 31, 2011	\$1,414,811	\$408,819	\$—	\$341,389	\$85	\$571,256	\$962,116	\$342,067	\$(39,250)	\$4,001,295	\$42,253	\$4,043,548		

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S.\$1.00, the approximate rate of exchange at March 31, 2011.

Six-Year Summary

HOKURIKU ELECTRIC POWER COMPANY
Years ended March 31

	2011	2010	2009	2008	2007	2006
Consolidated Statement of Income Data (Millions of Yen)						
Operating Revenues	494,165	471,422	524,600	477,911	485,698	480,813
Operating Expenses	444,176	430,428	498,420	450,241	430,340	425,647
Operating Income	49,989	40,994	26,180	27,669	55,358	55,166
Other Income Deduction (Net)	19,143	13,046	11,472	15,016	27,401	23,097
Income before Income Taxes and Minority Interests	30,846	27,948	14,708	12,653	27,957	32,068
Income Taxes	11,758	11,014	7,223	5,297	10,470	11,917
Minority Interests in Income of Consolidated Subsidiaries	—	—	—	—	227	209
Net Income	19,087	16,933	7,484	7,355	17,259	19,941
Net Income per Share of Common Stock (Yen)	89	79	34	34	81	91
Consolidated Statement of Cash Flows Data (Millions of Yen)						
Net Cash provided by Operating Activities	133,831	145,762	110,315	67,335	148,162	117,960
Net Cash used in Investing Activities	(77,222)	(49,503)	(59,576)	(40,754)	(69,385)	(55,549)
Net Cash provided by (used in) Financing Activities	(96,287)	(79,445)	(47,875)	21,731	(56,473)	(60,092)
Net Increase in Cash and Cash Equivalents	(39,678)	16,813	2,863	48,311	22,303	2,319
Cash and Cash Equivalents at End of Year	73,973	113,651	96,837	93,973	45,662	23,358

	2011	2010	2009	2008	2007	2006
Non-Consolidated Statement of Income Data (Millions of Yen)						
Operating Revenues	482,748	460,290	512,991	466,022	473,415	467,235
Lighting (Residential)	158,662	149,092	156,819	151,470	146,604	149,779
Commercial and Industrial	261,990	248,469	277,607	265,906	258,442	252,559
Other	62,094	62,728	78,564	48,646	68,368	64,896
Operating Expenses	436,120	422,575	490,441	441,663	422,943	414,959
Personnel Expenses	53,855	52,473	48,557	42,630	49,172	48,149
Fuel	82,478	81,953	150,138	129,427	80,023	67,948
Maintenance	62,922	55,617	49,646	38,888	50,695	33,784
Depreciation	82,598	86,240	91,282	97,288	103,525	126,890
Purchased Power	49,934	43,787	53,609	46,619	43,213	42,158
Other	104,331	102,503	97,206	86,810	96,312	96,027
Operating Income	46,627	37,715	22,549	24,359	50,471	52,276
Other Income Deduction (Net)	19,951	12,785	10,625	15,031	25,469	22,656
Income before Income Taxes	26,676	24,929	11,923	9,327	25,002	29,620
Income Taxes	10,022	9,745	4,980	4,153	9,285	11,112
Net Income	16,653	15,183	6,943	5,174	15,716	18,507
Net Income per Share of Common Stock (Yen)	78	70	32	24	73	84

	2011	2010	2009	2008	2007	2006
Operating Statistics						
Utility Plant Data						
Generating Capacity (MW)	8,057	7,963	7,962	8,114	8,114	8,114
Hydroelectric	1,904	1,817	1,816	1,816	1,816	1,816
Thermal	4,400	4,400	4,400	4,400	4,400	4,400
Nuclear	1,746	1,746	1,746	1,898	1,898	1,898
New Energy	6	—	—	—	—	—
Route Length of Transmission Lines (km)	3,301	3,310	3,315	3,304	3,291	3,267
Substations (MVA)	28,651	28,650	28,579	27,760	27,647	27,633
Conductor Length of Distribution Lines (km)	121,078	120,863	120,530	120,226	119,817	119,315
kWh Output Data (Millions of kWh)						
Generated	35,185	31,264	35,028	30,820	34,520	32,878
Hydroelectric	6,180	5,556	5,201	5,518	6,203	5,898
Thermal	16,557	16,035	20,566	25,302	21,947	19,023
Nuclear	12,445	9,673	9,261	0	6,370	7,957
New Energy	4	—	—	—	—	—
Purchased and Interchanged	△2,438	△1,089	△3,779	△1,547	△3,179	△1,804
System Operating Requirement (Deduct)	(3,204)	(3,000)	(3,095)	(3,062)	(3,141)	(3,108)
Total Sales of Electric Power	29,543	27,175	28,154	29,305	28,200	27,966
Peak Load (MW)						
Date when the Peak Demand was Recorded	Aug. 5	Jan. 14	Jul. 23	Aug. 9	Aug. 21	Aug. 4
Total Sales of Electric Power (Millions of kWh)						
Lighting (Residential)	8,662	7,995	7,902	7,913	7,514	7,505
Commercial and Industrial	20,881	19,180	20,252	21,392	20,686	20,461
Commercial Power	5,391	5,186	5,239	5,249	5,068	5,026
Small Industrial Power	3,779	3,425	3,686	3,991	4,018	4,199
Large Industrial Power	11,272	10,144	10,901	11,696	11,148	10,667
Other Services	440	425	426	456	452	569
Customer Data						
Number of Customers (Thousand)	2,088	2,084	2,081	2,082	2,082	1,996
Lighting (Residential)	1,842	1,832	1,822	1,815	1,808	1,715
Commercial and Industrial	246	252	259	267	274	281
Population Served (Thousand)						
	2,993	2,994	3,005	3,014	3,022	3,027
Number of Employees						
	4,971	4,716	4,630	4,611	4,638	4,692
Number of Shareholders						
	102,229	110,259	112,779	120,442	120,217	126,305



Date of Establishment

May 1, 1951

Service Territory

Toyama, Ishikawa and Fukui (excluding some districts), and a part of Gifu

Number of Shareholders

102,229 (At the end of March 2011)

Corporate Resources and Facilities (At the end of March 2011)

Capital (Billions of yen)	117.64
Number of employees	4,971
Hydroelectric power capacity (MW)	1,904
Thermal power capacity (MW) (Steam and internal combustion engine)	4,400
Nuclear power capacity (MW)	1,746
New energy (MW)	6
Transmission facilities (Line length in km)	3,301
Transformation facilities (Thousands of kVA)	28,651
Distribution facilities (Conductor length in km)	121,078
Number of contracts (Thousands) (Total of lighting and power contracts)	2,088
Electricity sales (Billions of kWh) (For fiscal year)	29.5

Head Office and Branches

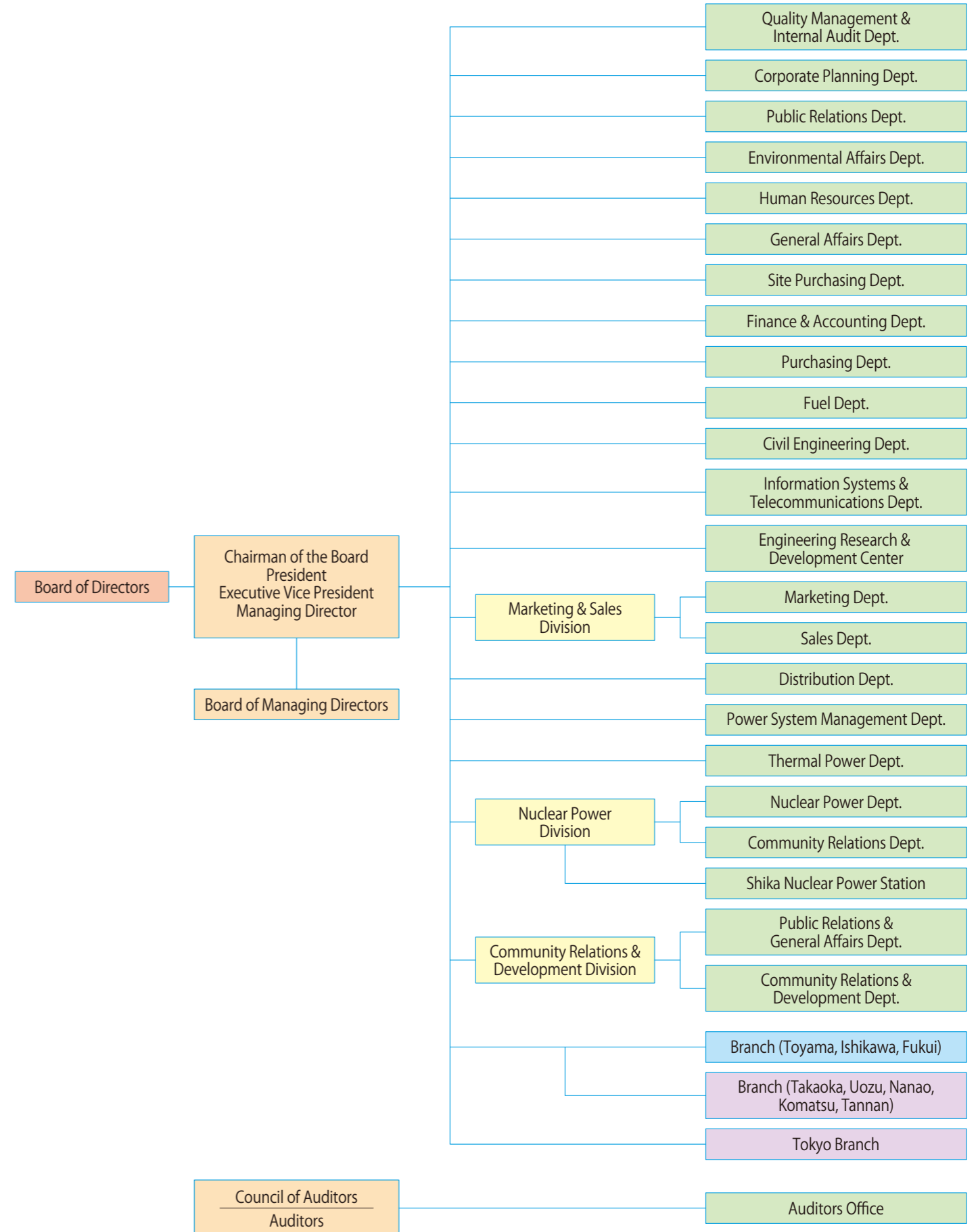
- Head Office : 15-1 Ushijima, Toyama City 930-8686, Japan
- Toyama Branch : 13-15 Ushijima, Toyama City 930-0858, Japan
- Takaoka Branch : 7-15 Hirokoji, Takaoka City 933-0057, Japan
- Uozu Branch : 1-12-12 Shinkanaya, Uozu City 937-0801, Japan
- Ishikawa Branch : 6-11 Shimohonda, Kanazawa City 920-0993, Japan
- Nanao Branch : 61-7 Mishima, Nanao City 926-8585, Japan
- Komatsu Branch : 25-1 Sakae, Komatsu City 923-0934, Japan
- Fukui Branch : 1-4-1 Hinode, Fukui City 910-8565, Japan
- Tannan Branch : 1-6, Aza Higashinozue, 10, Shincho, Echizen City 915-0883, Japan
- Tokyo Branch : 2-8-1 Toranomom, Minato-ku, Tokyo 105-0001, Japan

Directors and Auditors

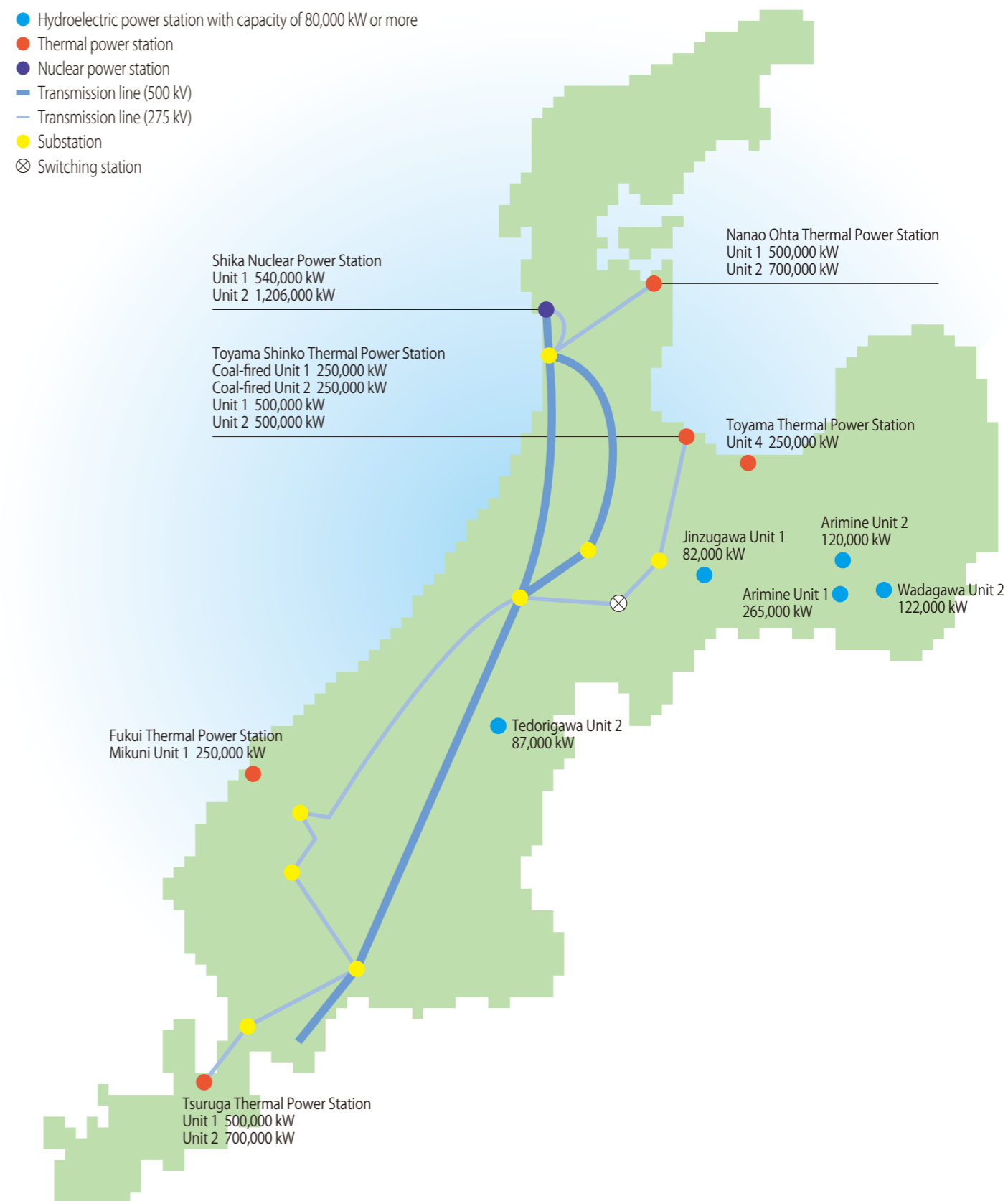
Chairman of the Board : Isao Nagahara
President : Susumu Kyuwa
Executive Vice Presidents : Yukio Matsuoka
 Yuichi Hori
 Toshinori Motobayashi

Managing Directors : Shinji Wakamiya
 Yukio Arai
 Mitsuaki Minabe
 Yutaka Kanai
 Masato Kontani
 Hiroyuki Tsuka

Standing Auditors : Koichi Takakuwa
 Zenjo Sakamoto
Auditors : Shinichiro Inushima
 Akira Miyama
 Tatsuo Kawada



	Name of company	Capital (Millions of yen)	Investment stake (%)	Year of establishment	Major business lines
Electricity	The Nihonkai Power Generating	7,350	100.0	1982	Wholesale supply of electricity
	Kurobegawa Denryoku	3,000	50.0	1923	Wholesale supply of electricity
	Toyama Kyodo Jikahatsuden	1,350	50.0	1952	Non-utility electric power generation for auxiliary use
Construction	Hokuriku Plant Services Co., Ltd.	95	100.0	1970	Maintenance and engineering works of thermal and nuclear power generation equipment
	Hokuden Techno Service	50	100.0	1982	Maintenance of hydroelectric power generation and transformation equipment
	Nihonkai Kenko	200	48.0	1946	Design and execution of civil engineering and construction works
	Hokuriku Electrical Construction Co., Ltd.	3,328	28.3	1944	Electrical work
Manufacturing	Nihonkai Concrete Industries Co.	150	80.0	1953	Production and sale of concrete poles and piles
	Hokuriku Instrumentation Co., Inc.	30	40.0	1970	Production, repair and testing of watt-hour meters, etc.
	Hokuriku Energys	48	25.0	1981	Production and sale of distribution switches, etc.
	Hokuriku Electric Co., Ltd.	200	19.8	1944	Production and sale of transformers and switchboards
Telecommunications	Hokuriku Telecommunication Network Co., Inc.	6,000	100.0	1993	Dedicated telecommunication line service and data transmission link services
	Power and IT Inc.	495	53.5	2009	Data center
	Cable Television TOYAMA Inc.	2,010	13.4	1994	Cable TV broadcasting service
Service	Hokuriku LNES Co., Ltd.	200	41.0	2001	Wholesale of LNG
	Hokuden Industry Co., Ltd.	100	100.0	1974	Lease and management of real estate, temporary staff dispatching business and leasing business
	The Hokuden Information System Service Company, Inc.	50	100.0	1987	Development and maintenance of software
	Hokuriku Electric Power Living Service Co., Ltd.	50	100.0	1987	Diffusion and maintenance of electrical appliances, etc.
	Hokuden Partner Service	20	100.0	1990	Maintenance of electrical power equipment, operation of electrical and other related facilities, group financing, centralized accounting and payroll operations for group companies
	Nihonkai Environmental Service Inc.	50	100.0	1992	Environment survey, and design and execution of environment greening works
	Hokuden Engineering Consultants Co., Ltd.	50	100.0	2001	Research, design, administration, land survey, geological survey, consultation about compensation for civil engineering and construction works, etc.
	Hokuriku Denki Shoji Co., Ltd.	10	60.0	1949	Pole advertisement, travel business and non-life insurance agency
	Japan Ecology and Security Service Company	50	51.0	2000	Recycling and storage of classified and preserved document, and sale of paper products
	Plastic Recycling Technology Company	200	51.0	2002	Plastic recycling



 Hokuriku Electric Power Company

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