

ANNUAL REPORT 2012

 Hokuriku Electric Power Company

15-1 Ushijima-machi, Toyama-shi 930-8686, Japan
<http://www.rikuden.co.jp>

 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 million in 12,600 km²), all located along the Sea of Japan in central Honshu.

At present (as of the end of March 2012), Hokuriku Electric Power Company serves approximately 2.09 million customers on contracts, including 1.85 million for lighting service and remaining 0.24 million for power supply service, and its electricity sales amounted to 28.9 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.

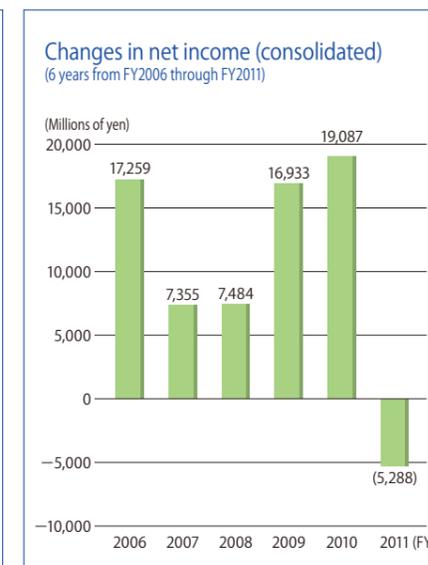
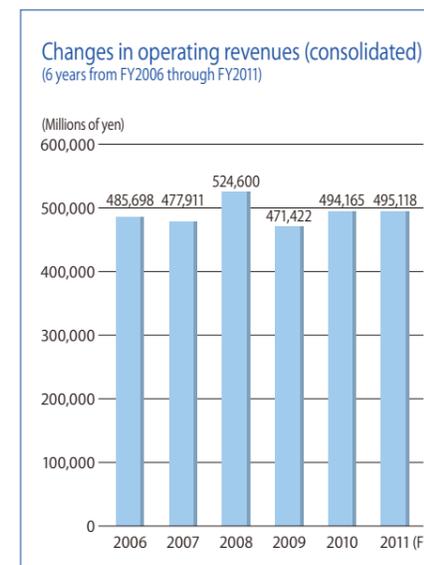


	FY2011	FY2010	FY2011
CONSOLIDATED			
Operating revenues	495,118 millions of yen	494,165 millions of yen	6,027,742 thousands of U.S. dollars
Operating income	11,661 millions of yen	49,989 millions of yen	141,974 thousands of U.S. dollars
Net income (loss)	(5,288 millions of yen)	19,087 millions of yen	(64,386 thousands of U.S. dollars)
Net income (loss) per share	(25.32 yen)	89.99 yen	(0.308 U.S. dollars)
Total assets	1,385,922 millions of yen	1,381,163 millions of yen	16,872,682 thousands of U.S. dollars
NON-CONSOLIDATED			
Operating revenues	483,395 millions of yen	482,748 millions of yen	5,885,025 thousands of U.S. dollars
Operating income	7,999 millions of yen	46,627 millions of yen	97,385 thousands of U.S. dollars
Net income (loss)	(6,645 millions of yen)	16,653 millions of yen	(80,909 thousands of U.S. dollars)
Net income (loss) per share	(31.82 yen)	78.52 yen	(0.387 U.S. dollars)
Cash dividends	50 yen	50 yen	0.609 U.S. dollars
Total assets	1,358,137 millions of yen	1,351,703 millions of yen	16,534,428 thousands of U.S. dollars
Electricity sales	28,898 millions of kWh	29,543 millions of kWh	
Number of customers	2,091 thousands	2,088 thousands	
System peak load	5,334 MW	5,732 MW	
Generating capacity	8,058 MW	8,057 MW	
Hydroelectric	1,905 MW	1,904 MW	
Thermal	4,400 MW	4,400 MW	
Nuclear	1,746 MW	1,746 MW	
New energy	7 MW	6 MW	

At the rate of ¥82.14 = U.S.\$1.00

Contents

Corporate Profile, Contents	Financial Review	13
Highlights	Consolidated Financial Statements	
Message from Management	Consolidated Balance Sheets	14
Glimpse of Hokuriku Region	Consolidated Statements of Operations and	
Current Status of Hokuriku Electric Power Group	Consolidated Statements of Comprehensive Income	16
I. For Further Improvement of Reliability of	Consolidated Statements of Changes in Net Assets	17
Shika Nuclear Power Station	Consolidated Statements of Cash Flows	18
II. To Ensure Stable Supply of Electricity	Notes to Consolidated Financial Statements	19
III. To Create Environmentally-friendly Society	Independent Auditor's Report	27
IV. Measures for Improving Managerial Efficiency	Non-Consolidated Financial Statements	
Trends of Electricity Demand	Non-Consolidated Balance Sheets	28
Summary of business performance in FY2011	Non-Consolidated Statements of Operations	30
	Non-Consolidated Statements of Changes in Net Assets	31
	Six-Year Summary	32
	Corporate Information, Directors and Auditors	34
	Corporate Organization	35
	List of Affiliated Companies	36
	Outline of Supply Facilities	37



Hokuriku Electric Power Group seeks to serve as your trustworthy and chosen partner by steadily fulfilling its mission of “ensuring stable supply of low-cost, high-quality and eco-friendly electricity”



Left: Isao Nagahara, Chairman
Right: Susumu Kyuwa, President

Measures taken to further enhance reliability of Shika Nuclear Power Station

The Great East Japan Earthquake on March 11, 2011, which led to a serious accident at Fukushima Daiichi Nuclear Power Station, compelled the suspension of operations at nuclear power stations around the country including Shika Nuclear Power Station. The prolonged stoppage produced a tight power supply-demand situation, which continues to this day.

With a strong determination to prevent an accident like the one that happened at Fukushima Daiichi Nuclear Power Station, we at Hokuriku Electric Power Company are exerting all of our efforts to launch “measures for reinforcement of security” against earthquakes, tsunami and other disasters at our Shika Nuclear Power Station. In April 2011, we completed the “Emergency Safety Measures” prescribed to prevent a serious accident even if important pieces of equipment cease to function due to tsunami. At the same time, we are steadily promoting “additional safety measures” to further enhance reliability. Moreover, we are examining the installation of vent equipment with filters so that in the event of damage to the fuel that could cause a large amount of radioactive substances to be released into the air, the amount of discharge would be minimized. In addition, we frequently conduct trainings to cope with accidents as we seek to reinforce our capability to respond to risk contingencies. We will continue our efforts to further improve safety and take all possible measures to ensure safety.

We believe that nuclear power generation, a cost-effective power source that ensures stable supply without discharging CO₂ at the time of power generation, will continue to play an important role, especially in view of the fact that Japan’s self-sufficiency ratio in the energy supply is a mere 4%. This further strengthens our resolve to fully ensure the safety of Shika Nuclear Power Station. We will give easy-to-understand and thorough explanations about nuclear safety including measures outlined above to people in the local communities, and make an utmost effort to promote their understanding and feeling of security about the safety of Shika Nuclear Power Station. As we seek to resume the operation of Shika Nuclear Power Station, we are determined to continue our work of ensuring its safe and stable operation.

Measures promoted on both supply and demand sides to ensure stable power supply

We were able to ensure stable supply of power in the previous fiscal year in spite of the difficult conditions caused by the continued suspension of operations at Shika Nuclear Power Station, thanks to the cooperation of our customers to save power and energy, and as a result of various measures launched on the supply side.

As unpredictability of electricity supply and demand continues in the nation as a whole, we will make a concerted effort this fiscal year to stabilize electricity supply and demand through closer collaboration among different sections within our company and businesses in the group. Steps in this direction include the adjustment of the timing of repairs at our thermal power plants, maintenance and inspection of secure electrical facilities and assurance of supply capability through fuel acquisition and other means. We also provide consultation services on energy-saving and other areas to our customers to enable and encourage more efficient energy use.

In addition, as part of our measures to ensure stable electricity supply over the medium- and long-term and move towards a low-carbon society, we will steadily introduce LNG fired power generation and expand renewable energy use.

Measures promoted for development of Hokuriku region

Ever since Hokuriku Electric Power Company was established in May 1951 with the support of our customers in the Hokuriku region, our steadfast commitment to do our share in the region’s development through electric power business runs deep in our corporate culture. As a company firmly rooted in the Hokuriku region, we put top priority on trust-based relationships with people in the local communities, and engage in activities that promote mutual understanding in energy and environmental fields. We seek to work together with people in the Hokuriku region to resolve problems there and revitalize the local economy. We will also keep up our efforts to protect the local environment.

Keeping in mind the sense of mission which each one of us will stably supply low-cost, high-quality and eco-friendly electricity, we will aim to create Hokuriku Electric Power Group that will serve as your trustworthy and chosen partner 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) 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 a 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 ¥11.5 trillion (in nominal terms in FY2009), which is equivalent to the GDP level of New Zealand, Hungary, 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 in the Nagano-Kanazawa section is well underway toward the start of commercial operation at the end of FY2014. Additionally, the construction work in the Kanazawa and Tsuruga section was approved in June 2012.

In the road transportation sector, the Tokai-Hokuriku Expressway was brought into full operation in July 2008, in addition to the Hokuriku Expressway. Construction of the Noetsu Expressway, the Chubu-Jukan Expressway and the Maizuru-Wakasa Expressway has been well underway and some sections of such expressways have come into service.

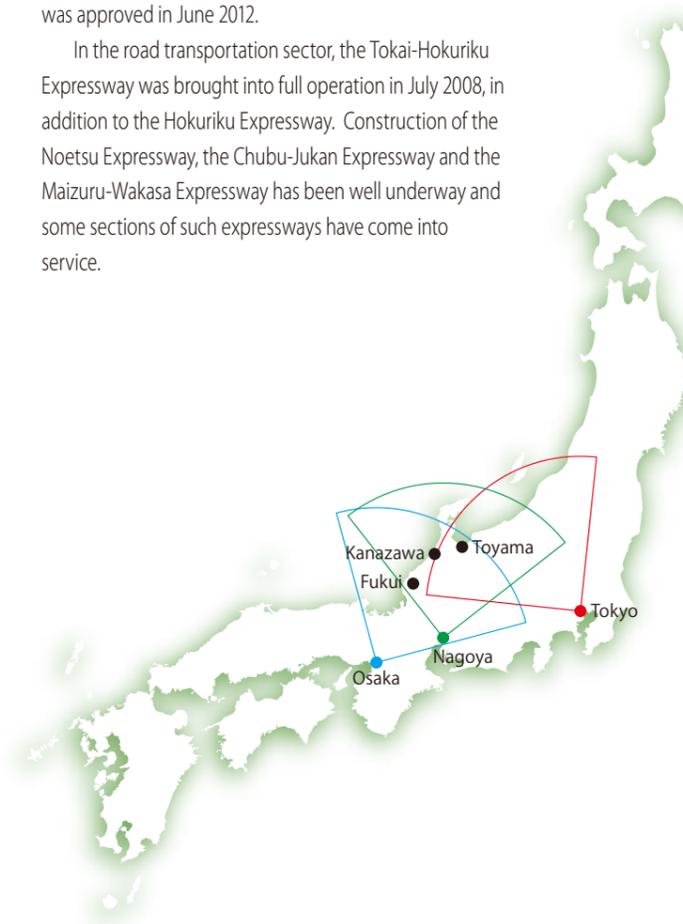


Tateyama chain of mountains

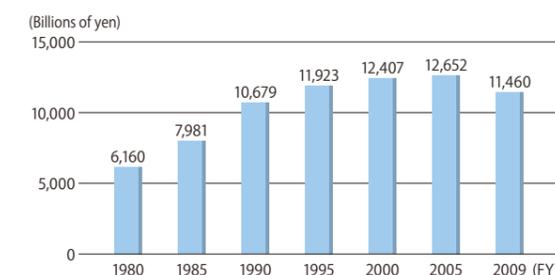
In the sea transportation sector, Fushiki Toyama port was designated as an integrated hub port and Kanazawa and Tsuruga ports as functional ports in November 2011 to work as major sea ports along the Sea of Japan.

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.

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.



Changes in gross domestic product of the Hokuriku region

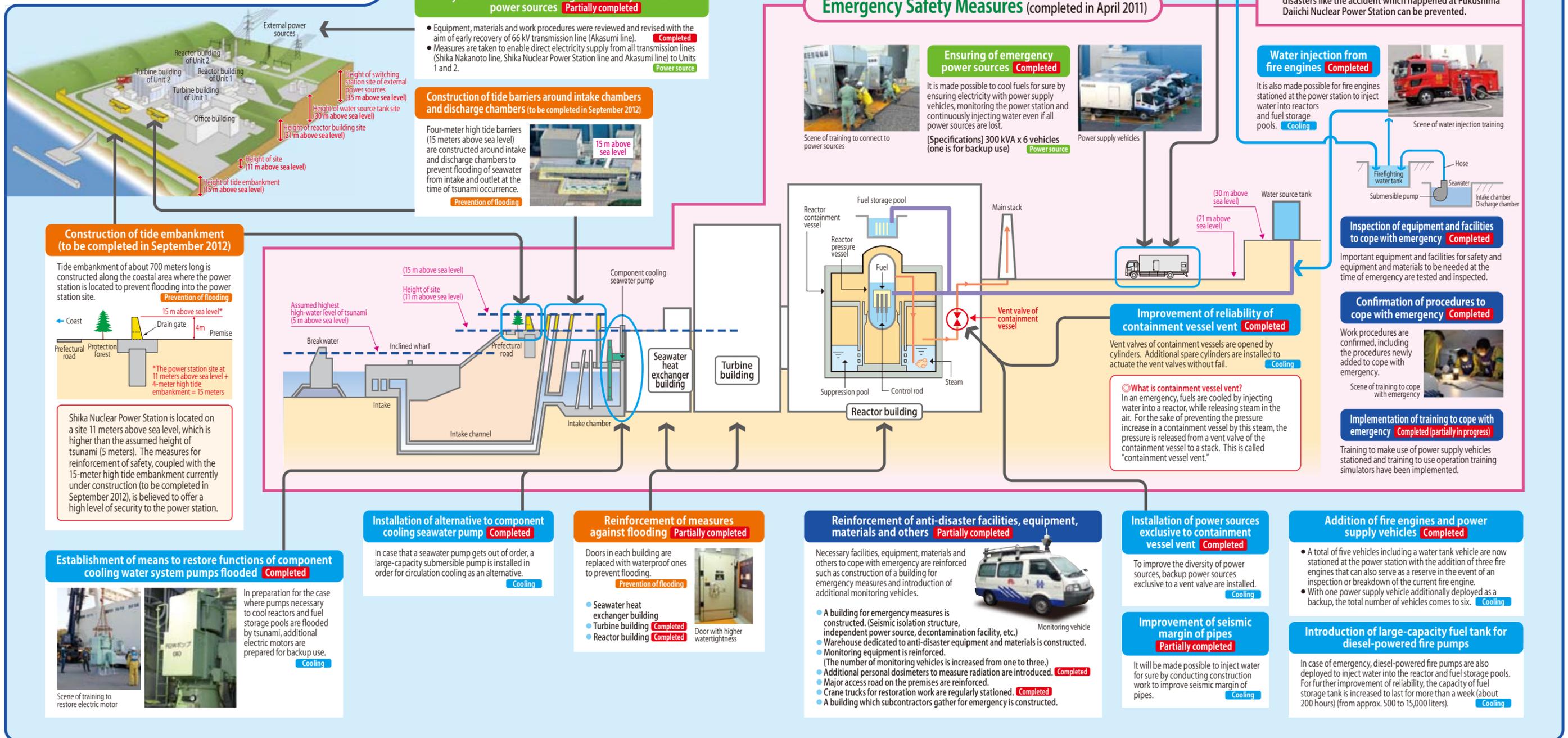


I. For Further Improvement of Reliability of Shika Nuclear Power Station

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

- Following the implementation of the Emergency Safety Measures (measures to prevent a nuclear disaster even in the event that important pieces of equipment are disabled due to tsunami) in FY2011, we believe that an accident of a scale which happened at Fukushima Daiichi Nuclear Power Station can be prevented even though functions of important pieces of equipment are lost by tsunami. Nonetheless, we have steadily promoted and launched "additional measures" to further improve reliability.
- In future, we will continue to work on safety improvement and take all possible measures to ensure safety.

Outline of measures for reinforcement of safety (as of the end of June 2012)



Additional measures (to be completed by the end of 2012)

Preparation of emergency power sources (large capacity)

Large-capacity power supply vehicles are prepared to ensure power sources for water circulation and cooling equipment using seawater, in addition to monitoring, water injection and cooling equipment.

[Specifications] 4,000 kVA x 2 vehicles **Power source**

Diversification of water sources **Partially completed**

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 fuel storage pools.

- Installation of submersible pumps, hose and other equipment for water intake **Completed**
- Improvement of earthquake resistance reliability of condensate storage tank and other equipment

Otsubogawa Dam (Available storage capacity: about 0.36 million tons) **Cooling**

Scene of water intake training from Otsubogawa Dam **Cooling**

Points of Emergency 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 can be prevented.

Emergency Safety Measures (completed in April 2011)

Ensuring of emergency power sources **Completed**

It is made possible to cool fuels for sure by ensuring electricity with power supply vehicles, monitoring the power station and continuously injecting water even if all power sources are lost.

[Specifications] 300 kVA x 6 vehicles (one is for backup use) **Power source**

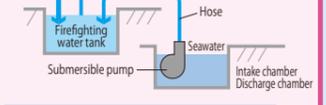
Scene of training to connect to power sources **Cooling**

Power supply vehicles **Cooling**

Water injection from fire engines **Completed**

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

Scene of water injection training **Cooling**



Inspection of equipment and facilities to cope with emergency **Completed**

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

Confirmation of procedures to cope with emergency **Completed**

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

Scene of training to cope with emergency **Cooling**

Implementation of training to cope with emergency **Completed (partially in progress)**

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

Improvement of reliability of containment vessel vent **Completed**

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 in the air. For the sake of preventing the pressure increase in a containment vessel by this steam, the pressure is released from a vent valve of the containment vessel to a stack. This is called "containment vessel vent."

Cooling

Reinforcement of anti-disaster facilities, equipment, materials and others **Partially completed**

Necessary facilities, equipment, 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. **Completed**
- Major access road on the premises are reinforced.
- Crane trucks for restoration work are regularly stationed. **Completed**
- A building which subcontractors gather for emergency is constructed.

Monitoring vehicle **Cooling**

Installation of power sources exclusive to containment vessel vent **Completed**

To improve the diversity of power sources, backup power sources exclusive to a vent valve are installed.

Cooling

Improvement of seismic margin of pipes **Partially completed**

It will be made possible to inject water for sure by conducting construction work to improve seismic margin of pipes.

Cooling

Addition of fire engines and power supply vehicles **Completed**

- A total of five vehicles including a water tank vehicle are now stationed at the power station with the addition of three fire engines that can also serve as a reserve in the event of an inspection or breakdown of the current fire engine.
- With one power supply vehicle additionally deployed as a backup, the total number of vehicles comes to six. **Cooling**

Introduction of large-capacity fuel tank for diesel-powered fire pumps

In case of emergency, diesel-powered fire pumps are also deployed to inject water into the reactor and fuel storage pools. For further improvement of reliability, the capacity of fuel storage tank is increased to last for more than a week (about 200 hours) (from approx. 500 to 15,000 liters).

Cooling

Steps regarding operational management of measures for reinforcement of safety

To further improve the operational management of “measures for reinforcement of safety,” we will diversify the means of assembling emergency response personnel and further expand the emergency response manuals and trainings by reflecting the content of drills that have been held more than 250 times in the past.

	Item (content)	Status
Securing of emergency response personnel	○ Establishment of system for securing personnel	To be improved continually
	○ Securing and diversification of call-up means (additional installation of satellite mobile phones)	Completed
	○ Securing of means of transportation to the power station (securing of means of transporting personnel by helicopter, etc.)	Completed (obtained approval of helicopter landing on and takeoff from the power station site, etc.)
Improvement of manuals and trainings	○ Improvement of manuals in the event of a severe accident	To be improved continually
	○ Improvement of emergency response training	To be implemented continually
Diversification of means of transportation and acquisition	○ Establishment of means and routes for transporting goods and articles by air	Completed (obtained approval of helicopter landing on and takeoff from the power station site, etc.)
Reinforcement of exposure management	○ Speed-up of internal exposure evaluation (establishment of thyroid exposure evaluation method)	Completed
	○ Improvement of internal exposure meters	
	<ul style="list-style-type: none"> • Additional installation of a whole body counter (WBC) • Installation of a survey meter at Nuclear Power Division (for internal exposure measurement) 	Installed to coincide with start of operation of the building for emergency measures Completed

For swift response in the event of accident

While the chances of a severe accident (serious damage to the core, etc.) occurring are slim with the implementation of “measures for reinforcement of safety,” we have launched the measures outlined here to enable swift response in the event of such accident.

- Securing working environment inside the central control room **Completed**
- Securing means of communication inside the power station site in an emergency **Completed**
- Securing equipment and materials including protective gear for high-dose conditions **Completed**
- Deployment of heavy machinery to remove debris **Completed**
- Installation of equipment to discharge hydrogen from the reactor building **Partially completed**



Scene of training to remove debris

Vent equipment with filters for reactor containment vessel

We will examine the installation of vent equipment with filters for reactor containment vessel to minimize the amount of radioactive substances released into the air, should damage to the fuel cause a large amount of discharge.

Approach to safer and stabler operation of Shika Nuclear Power Station

- Power station employees, group companies, supporting companies and other personnel and entities have been constantly working closely together with shared awareness in a concerted effort for the safe and stable operation of Shika Nuclear Power Station.
- We will take all possible measures to provide a sense of security to the local community members. To enable appropriate response in the event of a trouble, we carry out trainings to cope with an accident based on the scenario of a major earthquake, tsunami and other disasters.

Emergency response training conducted following the accident at Fukushima Daiichi Nuclear Power Station

On February 22, 2012, emergency response training was conducted at Shika Nuclear Power Station for the second time since April 2011.

The training conducted on this day assumed that an earthquake registering 6-strong on the Japanese seismic scale occurred at 3:50 a.m. in Shika-machi, followed 40 minutes later by a 13-meter-high tsunami.

About 150 employees of the power station and supporting companies who took part in the training checked to see if the planned measures were carried out swiftly and securely under the harsh conditions of the cold winter night.



Midnight power supply training with power supply vehicles

Measures to boost understanding on the safety of Shika Nuclear Power Station

We will launch company-wide efforts to securely implement the “measures for reinforcement of safety” against earthquakes and tsunami along with other measures to enhance nuclear safety. At the same time, we will take every opportunity and use whatever locations available to carefully and thoroughly inform, in an easy-to-understand manner, people in the local communities about the safety of Shika Nuclear Power Station.



Scene of explanatory meeting in local community

Installation of Nuclear Safety Reliability Conference

We have organized the “Nuclear Safety Reliability Conference,” an organization designed to gather multidisciplinary opinions and comments from outside experts on the overall measures related primarily to the management of Shika Nuclear Power Station.

At its first meeting held in October 2011, we gave an explanation on our “measures for reinforcement of safety” against earthquakes and tsunami at Shika Nuclear Power Station and recurrence prevention measures taken for power generation equipment. We are planning to hold such meetings regularly as part of our efforts to hear the views and opinions from outside parties.



1st meeting of Nuclear Safety Reliability Conference (October 2011)

Condition of stress tests

On February 1, 2012, we submitted the primary evaluation of Unit 2 of Shika Nuclear Power Station and that of Unit 1 on March 26 to the Nuclear and Industrial Safety Agency (NISA).

The stress test confirmed that facilities, equipment and other components critical to safety have a sufficient safety margin against disasters (earthquakes, tsunami, etc.) of unanticipated scales.

A screening by NISA is currently underway (as of May 2012).

Primary evaluation results of stress tests of Shika Nuclear Power Station

Item	Place where fuel is installed in	Evaluation results	
		Unit 1	Unit 2
Earthquake*	Nuclear reactor	1.93 times (1,158 gal)	1.93 times (1,158 gal)
	Fuel storage pool	2.00 times (1,200 gal)	2.00 times (1,200 gal)
Tsunami	Nuclear reactor	15.3 m	15.3 m
	Fuel storage pool	20 m or higher	20 m or higher
Simultaneous occurrence of earthquake and tsunami	The evaluation results for simultaneous occurrence were confirmed to be the same as those for “earthquake” and “tsunami” above.		
Loss of all AC power sources	Nuclear reactor	About 70 days	About 70 days
	Fuel storage pool	About 70 days	About 70 days
Loss of heat removal function due to seawater	Nuclear reactor	About 480 days	About 480 days
	Fuel storage pool	About 480 days	About 480 days
Measures against severe accident	The effectiveness of measures against a severe accident was confirmed from the perspective of multiple protections.		

*Evaluation results of earthquake represent an evaluation for the standard earthquake vibration.

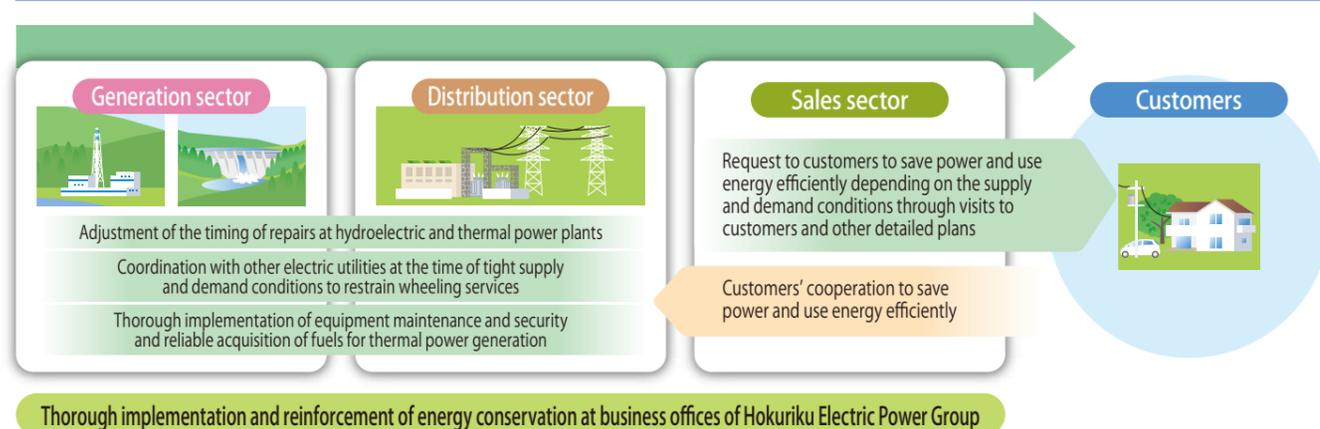
Reference

The intensity of tremor observed at Shika Nuclear Power Station at the time of Noto Hanto Earthquake (occurred on March 25, 2007) was 292 gal.

II. To Ensure Stable Supply of Electricity

- In FY2011, Hokuriku Electric Power Group was able to secure electricity supply by launching all possible measures to this end amid the prolonged suspension of operations at Shika Nuclear Power Station that produced tight supply-demand conditions. Our power generation, distribution, sales and other sectors as well as group companies worked closely together to request customers to save power and energy, and our customers' cooperation proved invaluable in making this possible.
- We will continue to make a concerted effort to realize stable supply of electricity by ensuring reliable supply capability with full preparedness against large-scale power outages, procuring fuels and providing meticulous services to our customers.

Major initiatives conducted in FY2011 to ensure stable supply of electricity



Measures to maintain equipment functions and secure supply reliability

In addition to the failsafe implementation of patrols, inspection and maintenance of equipment, we systematically replace aged and deteriorated equipment to prevent accidents as part of our measures to maintain equipment functions. Our efforts to enhance supply reliability also include patrols to prevent power outages caused by crow nests and tree branches that come into contact with power lines and components, and adoption of automated power distribution systems designed to enable early resumption of power transmission after an outage caused by an accident.



Prevention of power outages caused by crow nests building Automated power distribution systems

Status of total frequency of power outages per customer < 0.18 times in FY2010 and 0.15 times in FY2011 >

Measures to promote more efficient use of energy

Energy-saving consultation service

We offer energy-saving consultation for our customers and positively recommend highly efficient appliances to realize even more efficient use of energy. Furthermore, we will promote the stabilization of electricity supply and demand and efficient utilization of equipment through shifting demand from peak periods.

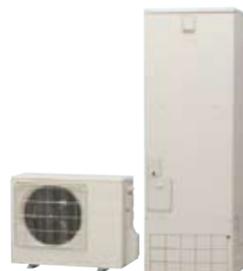
[Customers for household use]

- Positive recommendation of highly efficient, energy-saving and eco-friendly appliances for residential use

[Customers for business and industrial use]

- Upgrading of energy-saving consultation services
- Positive recommendation of highly efficient apparatus for use in heat pump air conditioning/hot water supply systems and factory production facilities

Energy saving hot water supply system "Eco Cute"



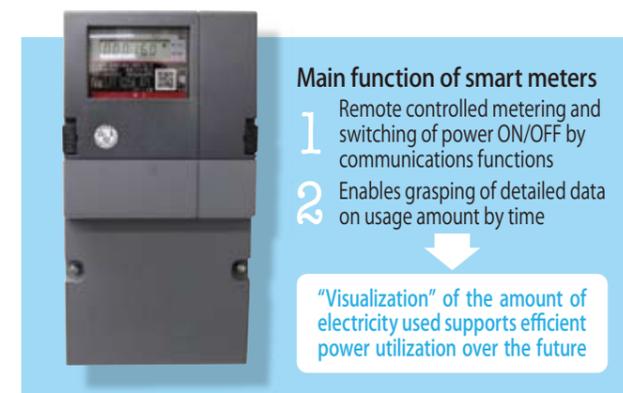
Measures toward introduction of smart meters

We will steadily promote the field testing of smart meters, which is expected to facilitate efficient electricity use and control demand in peak periods through "visualization of the amount of electricity used."

With an eye on the results of field tests, trends of technological development and other factors, we will make efforts for the full-scale introduction of smart meters for low-voltage customers in FY2015.

Field tests

Since November 2011, we have installed smart meters at about 500 households in Kanazawa-shi and Nonoichi-shi to conduct field tests to verify data transmission performance under different conditions including the shielding impact of winter snow and tree branches as well as remote controlled metering and other factors pertaining to their applicability to operations.



Reference Demand side measures for extra high-voltage and high-voltage customers (factories, buildings, etc.)

All of the meters equipped with functions to provide detailed usage data are already installed.

Utilization of meter functions

Consultation on demand side

Energy-saving consultation on ways to maximize the reduction of electricity use, etc.

Monitoring service on demand side

Enables real-time grasping of the condition of electricity use

Introduction of LNG fired power generation

As efforts for the medium- to long-term stable supply of electricity and low carbonization, 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 significantly reduce CO₂ emissions.

With this introduction of LNG fired power generation, we will further foster diversification of power sources and reduction in CO₂ emissions.



Image diagram of LNG fired Unit 1 of Toyama-Shinminato Thermal Power Station

Outline of development project

Outline of equipment and reduction in CO₂ emissions

LNG fired Unit 1	Power generation capacity: 0.4 million kW class Type of power generation: Combined-cycle power generation
LNG fuel equipment	Tank capacity: 0.18 million kl x 1 unit Tank type: Prestressed concrete (above ground)
LNG berth	Acceptable ship class: 0.15 million m ³ class
Reduction in CO ₂ emissions	Approx. 1 million t-CO ₂ per year

Development schedule

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Overall time schedule	Start of environmental impact assessment		Start of preparatory work	Start of construction		Decommissioning of coal-fired unit 1		Start of operation	
Environmental impact assessment	Statement of operation procedures	Preparatory statement	Survey on current conditions and estimate evaluation	Evaluation statement					
Preparatory work									
Construction work									

Holding of explanatory meeting on environmental impact assessment method statement

We explained the plan outline at the "explanatory meeting on environmental impact assessment method statement" held on August 10, 2011 for people in the local communities.



III. To Create Environmentally-friendly Society

● We will steadily promote the introduction of renewable energy to supply high-quality, eco-friendly power into the future.

Hydroelectric power generation

We will work to expand annual power generating capacity by approx. 80 GWh (in comparison with FY2007) by FY2020 at about 30 locations, which includes the development of Katakai Betsumata Power Station (Uotsu-shi, Toyama), utilization of river maintenance discharge* and increase in output by repairing and modifying existing equipment.

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

Hydroelectric power station under development

Name of power station	Output	Electricity generated	Scheduled start of operation	CO ₂ emissions reductions
Shin-Inotani Dam	470 kW	Approx. 3.7 million kWh per year	Dec. 2012	Approx. 1,100 t-CO ₂ per year
Kitamata Dam	130 kW	Approx. 0.9 million kWh per year	FY2014	Approx. 300 t-CO ₂ per year
Katakai Betsumata	4,400 kW	Approx. 17 million kWh per year	FY2016	Approx. 5,200 t-CO ₂ per year



Katakai Betsumata Power Station (image diagram)

Photovoltaic power generation

In addition to Toyama and Shika Photovoltaic Power Stations which are currently in operation, we will steadily proceed with the construction of Mikuni and Suzu Photovoltaic Power Stations that are scheduled to start operation in FY2012.

The photovoltaic power stations will be equipped with a PR building dedicated to the introduction of the power station's overview and measures launched by Hokuriku Electric Power Company to realize a low-carbon society.

Mega-solar power station under development

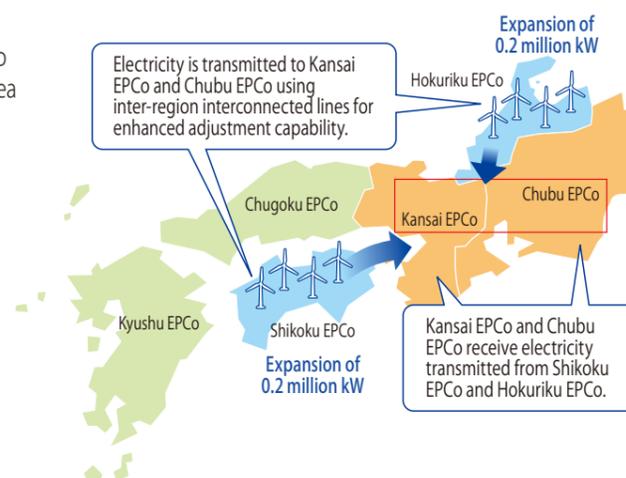
Name of power station	Output	Electricity generated	Scheduled start of operation	CO ₂ emissions reductions
Mikuni Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Sep. 2012	Approx. 300 t-CO ₂ per year
Suzu Photovoltaic	1,000 kW	Approx. 1 million kWh per year	Nov. 2012	Approx. 300 t-CO ₂ per year



Toyama Photovoltaic Power Station

Wind power generation

Efforts for expanded introduction of wind power generation using inter-region interconnected lines in central and western Japan are expected to increase the amount of wind power generation in Hokuriku Electric service area by 0.2 million to 0.45 million kW.



IV. Measures for Improving Managerial Efficiency

Measures for improving managerial efficiency in the past

[V Plan Achievement Project 21]
From FY2001 to FY2005

Response to expanded scope of liberalization in electricity sector and increased cost of depreciation following the operation start of Unit 2 of Shika Nuclear Power Station

[2008 Emergency Management Task Force] FY2008

Response to harsh managerial environment due to dramatic increase in fossil fuel prices and other factors

[Revenue and Expenditure Improvement Working Group] FY2009

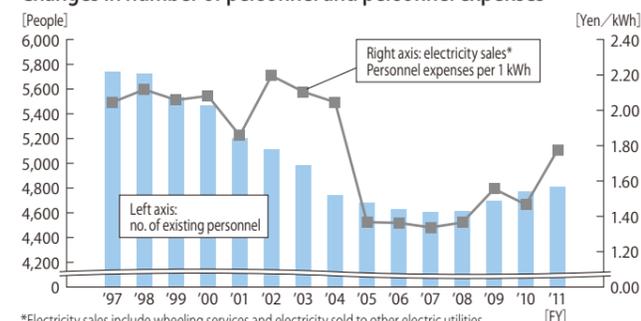
Response to deteriorating financial position caused by a drop in power demand following economic downturn precipitated by the Lehman Shock and other factors

Specific measures

Personnel expenses

- Personnel reduction
- Reduction of unit personnel expenses (Revision of wage system, review of welfare system and restructuring of retirement allowance system)

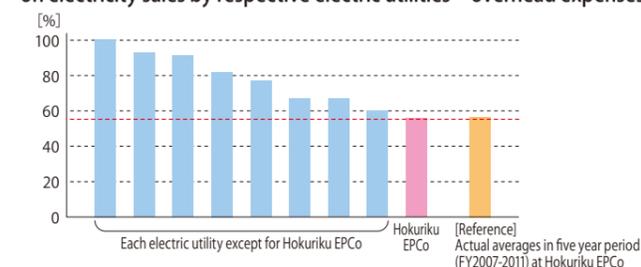
Changes in number of personnel and personnel expenses



Overhead expenses

- Improved business efficiency as a group
- Efficient execution within the budget by aggregate management method

Average overhead expenses*1 in five year period (FY2006-2010) based on electricity sales by respective electric utilities*2 overhead expenses



Note: The electric utility with the maximum value represents the value 100.
*1 Overhead expenses do not include depreciation on CO₂ credits.
*2 Electricity sales include wheeling services and electricity sold to other electric utilities.

Equipment renewal and maintenance

We will continue to improve efficiency while fulfilling our mission of providing stable power supply by introducing new technology and construction techniques, reviewing equipment specifications and repairing and renovating aged and deteriorating equipment based on the results of inspection and survey.

Example of efficiency improvement for repairs and renovation of aged and deteriorating equipment

~Development of renovation technique and jig for existing pylon foundation~

- The application of the newly developed technique and jig eliminated the need to demolish pylons, which shortened the construction periods including the acquisition of alternate site and reduced construction cost.
- The need to suspend equipment operation (suspension of power transmission) was eliminated.



Use of temporary foundation and jig

Measures for improving managerial efficiency in the future

We recognize that we will face an extremely harsh managerial environment due to increased fuel costs following the suspension of operation of Shika Nuclear Power Station and uncertainties concerning the impact of the Great East Japan Earthquake and direction of the government's energy policies and environment-related programs.

Under these circumstances, we will make an all-out effort to raise efficiency further for improving our financial position and hold cost increase in check through annual efficiency improvements worth 3 billion yen by steadily reducing equipment/materials acquisition costs as well as overall expenses.

Summary of business performance in FY2011 (from April 1, 2011 to March 31, 2012)

Japan's economy improved gradually in FY2011 and overall moves toward recovery continued despite sluggish business sentiment and a slump in consumer confidence following the Great East Japan Earthquake in the beginning.

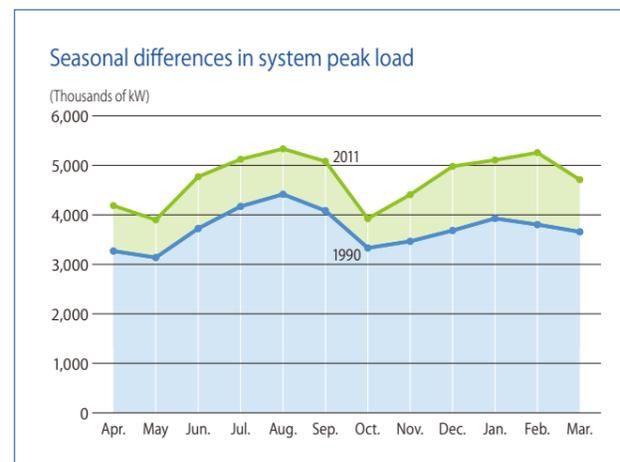
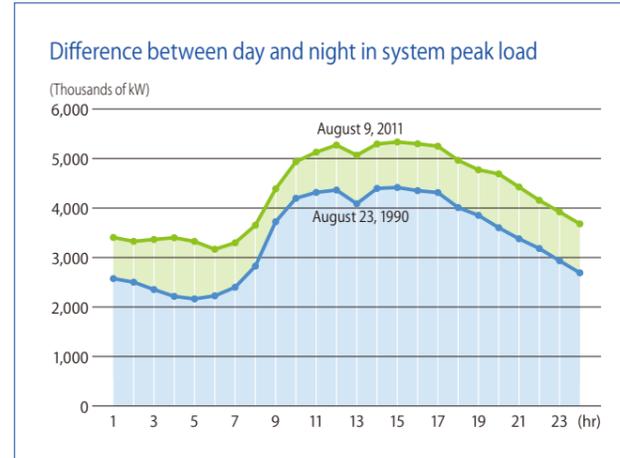
The recovery trends slowed down in the latter half of the year, however, as yen appreciation following the debt crisis in Europe and flooding in Thailand led to stagnation in some sectors including electrical machinery. Economic conditions in the Hokuriku region followed a similar pattern.

In such economic situation, our electricity sales in the commercial and industrial sectors during the year fell from the previous year's level caused by recoil reduction of the increase in demand for cooling because of the record-breaking hot summer in FY2010 and effects of energy saving. Our electricity sales for the year in the industrial and other sectors were also below the previous year's level due to the decreased electric machines for large-scale consumers.

Consequently, our electricity sales decreased by 2.2% from the previous year's level to 28.898 billion kWh (inclusive of 18.974 billion kWh for specified-scale demand).

We faced difficulties regarding supply capability for not being able to operate Units 1 and 2 of Shika Nuclear Power Station throughout the year although the flow rate (at 103.9%) was higher than that in an average year.

We were able to maintain stable supply of electricity, thanks to the cooperation of our customers to save power during summer, and by implementing various measures on supply side including the adjustment of the timing of repairs of our hydroelectric and thermal power stations.



Financial Review

Consolidated Balance Sheets

As of March 31, 2012, "total assets" increased ¥4.7 billion, or 0.3 percent, from the previous fiscal year-end to ¥1,385.9 billion. This was mainly due to an increase of inventories.

"Total liabilities" increased ¥19.9 billion, or 1.9 percent, from the previous fiscal year-end to ¥1,046.4 billion. This was mainly due to an increase of interest-bearing liabilities.

"Net assets" decreased ¥15.1 billion, or 4.3 percent, from the previous fiscal year-end to ¥339.5 billion. This was mainly due to a payment for dividends.

Consolidated Statements of Operations

In the year ended March 31, 2012, "operating revenues" increased ¥0.9 billion, or 0.2 percent, year on year to ¥495.1 billion. This was mainly due to an increase in fuel cost adjustments despite a decrease of the volume of electricity sales in the electricity power business.

"Operating expenses" increased ¥39.2 billion, or 8.8 percent, year on year to ¥483.4 billion. This was mainly due to an increase of the fuel costs for thermal power generation because of the shutdown of Shika Nuclear Power Station in the electricity power business.

As a result, "operating income" decreased ¥38.3 billion, or 76.7 percent, year on year to ¥11.6 billion.

"Other expenses" decreased ¥3.7 billion, or 26.0 percent, year on year to ¥10.6 billion. This was mainly due to a decrease of interest expense. Consequently, "income before special items, income taxes, and minority interests" decreased ¥34.5 billion, or 97.1 percent, year on year to ¥1.0 billion.

For the fiscal year, the company recorded "provision of reserve for fluctuation in water levels" of ¥3.6 billion, "settlement proceeds" of ¥6.0 billion concerning the lawsuit for damages, and "income taxes" of ¥8.6 billion. As a result, "net loss" for totaled ¥5.2 billion, a turnaround from "net income" of ¥19.0 billion in the previous year. "Net loss per share" stood at ¥25.32.

Consolidated Statements of Cash Flow

The balance of cash and cash equivalents on March 31, 2012 increased ¥18.7 billion, or 25.4 percent, from the previous fiscal year to ¥92.7 billion.

Net cash provided by "operating activities" decreased ¥65.7 billion, or 49.2 percent, year on year to ¥68.0 billion, mainly due to an increase of the fuel costs for thermal power generation because of the shutdown of Shika Nuclear Power Station in the electricity power business.

Net cash used in "investment activities" decreased ¥18.3 billion, or 23.8 percent, year on year to ¥58.8 billion, mainly due to a decrease of expenses from the acquisition of property, plant and equipment.

Net cash provided by "financing activities" was ¥9.5 billion, a turnaround from net cash used in financing activities of ¥96.2 billion in the previous fiscal year. This was mainly due to an increase of proceeds from long-term debt.

Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY AND CONSOLIDATED SUBSIDIARIES
As of March 31, 2012 and 2011

Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
ASSETS	2012	2011	2012
PROPERTY, PLANT AND EQUIPMENT (Note 4):	¥3,337,647	¥3,308,387	\$40,633,643
Less: Accumulated depreciation	(2,361,455)	(2,296,922)	(28,749,156)
Property, plant and equipment, net	976,191	1,011,464	11,884,487
NUCLEAR FUEL:			
Loaded nuclear fuel	26,219	19,027	319,205
Nuclear fuel in processing	68,942	70,761	839,328
Total nuclear fuel	95,161	89,789	1,158,533
INVESTMENTS AND OTHER ASSETS:			
Long-term investments (Note 5 and 15)	55,828	55,593	679,675
Fund for reprocessing of irradiated nuclear fuel (Note 15)	21,036	24,966	256,107
Deferred tax assets (Note 6)	36,112	41,080	439,643
Other assets (Note 5)	11,931	9,437	145,255
Total investments and other assets	124,908	131,078	1,520,682
CURRENT ASSETS:			
Cash (Note 7)	92,749	73,973	1,129,166
Trade notes and accounts receivable (Note 15)	36,521	38,252	444,630
Inventories	27,228	21,083	331,491
Deferred tax assets (Note 6)	10,461	8,376	127,359
Other current assets	22,697	7,144	276,330
Total current assets	189,659	148,831	2,308,978
TOTAL ASSETS	¥1,385,922	¥1,381,163	\$16,872,682

See notes to consolidated financial statements.

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
LIABILITIES AND NET ASSETS	2012	2011	2012
LONG-TERM LIABILITIES:			
Long-term debt (Notes 8 and 15)	¥700,603	¥674,808	\$8,529,382
Accrued employees' retirement benefits (Note 9)	31,546	33,591	384,060
Reserve for reprocessing of irradiated nuclear fuel	21,734	25,670	264,606
Reserve for reprocessing of irradiated nuclear fuel without specific plans	5,220	5,019	63,558
Asset retirement obligations (Note 17)	65,423	63,881	796,489
Other long-term liabilities	11,597	11,677	141,187
Total long-term liabilities	836,126	814,650	10,179,286
CURRENT LIABILITIES:			
Short-term debt (Note 8)	16,716	16,246	203,509
Current portion of long-term debt and other (Notes 8 and 15)	89,567	110,972	1,090,428
Trade notes and accounts payable (Note 15)	28,624	30,320	348,488
Accrued income taxes and other (Note 6)	8,110	14,197	98,735
Other current liabilities	56,645	33,153	689,619
Total current liabilities	199,664	204,890	2,430,780
RESERVE FOR FLUCTUATION IN WATER LEVELS	10,627	6,976	129,385
Total liabilities	1,046,418	1,026,516	12,739,453
CONTINGENT LIABILITIES (Note 10)			
NET ASSETS (Note 11):			
SHAREHOLDERS' EQUITY			
Common stock:			
Authorized - 400,000,000 shares Issued - 210,333,694 shares in 2012 and 2011	117,641	117,641	1,432,207
Capital surplus	33,993	33,993	413,846
Retained earnings	187,026	202,760	2,276,927
Treasury stock, at cost	(3,279)	(3,263)	(39,927)
Total shareholders' equity	335,382	351,131	4,083,054
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on securities	4,121	3,514	50,174
Total net assets	339,503	354,646	4,133,229
TOTAL LIABILITIES AND NET ASSETS	¥1,385,922	¥1,381,163	\$16,872,682

See notes to consolidated financial statements.

Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Operations

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
	2012	2011	2012
OPERATING REVENUES	¥495,118	¥494,165	\$6,027,742
OPERATING EXPENSES (Note 16)	483,457	444,176	5,885,768
OPERATING INCOME	11,661	49,989	141,974
OTHER (INCOME) EXPENSES:			
Interest expense	12,704	17,505	154,663
Other, net	(2,079)	(3,142)	(25,312)
	10,624	14,362	129,351
INCOME BEFORE SPECIAL ITEMS, INCOME TAXES, AND MINORITY INTERESTS	1,036	35,626	12,622
SPECIAL ITEMS:			
Provision of reserve for fluctuation in water levels	3,650	2,382	44,448
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,397	—
Settlement proceeds (Note 12)	(6,000)	—	(73,046)
	(2,349)	4,780	(28,597)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,385	30,846	41,219
INCOME TAXES:			
Current	5,604	12,950	68,233
Deferred	3,069	(1,192)	37,372
	8,674	11,758	105,606
INCOME (LOSS) BEFORE MINORITY INTERESTS	(5,288)	19,087	(64,386)
NET INCOME (LOSS)	¥(5,288)	¥19,087	\$(64,386)

Consolidated Statements of Comprehensive Income

	Millions of yen	Millions of yen	Thousands of U.S. dollars (Note 3)
	2012	2011	2012
INCOME (LOSS) BEFORE MINORITY INTERESTS	¥(5,288)	¥19,087	\$(64,386)
OTHER COMPREHENSIVE INCOME: (Note 13)			
Net unrealized gain (loss) on securities	603	(1,757)	7,353
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	2	(26)	35
	606	(1,783)	7,388
COMPREHENSIVE INCOME (LOSS)	¥(4,681)	¥17,304	\$(56,997)
(Breakdown) Comprehensive income (loss) attributable to owners of the parent	(4,681)	17,304	(56,997)
	Yen	Yen	U.S. dollars (Note 3)
PER SHARE INFORMATION			
Net assets	¥1,625.66	¥1,698.07	\$19.79
Net income (loss)	(25.32)	89.99	(0.30)

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	Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on securities	
BALANCE AT APRIL 1, 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 APRIL 1, 2011	210,333,694	117,641	33,993	202,760	(3,263)	351,131	3,514	354,646
Cash dividends paid	—	—	—	(10,442)	—	(10,442)	—	(10,442)
Net loss	—	—	—	(5,288)	—	(5,288)	—	(5,288)
Purchases of treasury stock	—	—	—	—	(24)	(24)	—	(24)
Disposal of treasury stock	—	—	—	(2)	8	6	—	6
Net changes in items other than shareholders' equity	—	—	—	—	—	—	606	606
BALANCE AT MARCH 31, 2012	210,333,694	¥117,641	¥33,993	¥187,026	¥(3,279)	¥335,382	¥4,121	¥339,503

	Shareholders' equity					Accumulated other comprehensive income	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on securities	
BALANCE AT APRIL 1, 2011	\$1,432,207	\$413,846	\$2,468,476	\$(39,733)	\$4,274,797	\$42,786	\$4,317,583
Cash dividends paid	—	—	(127,129)	—	(127,129)	—	(127,129)
Net loss	—	—	(64,386)	—	(64,386)	—	(64,386)
Purchases of treasury stock	—	—	—	(302)	(302)	—	(302)
Disposal of treasury stock	—	—	(32)	108	75	—	75
Net changes in items other than shareholders' equity	—	—	—	—	—	7,388	7,388
BALANCE AT MARCH 31, 2012	\$1,432,207	\$413,846	\$2,276,927	¥(39,927)	\$4,083,054	\$50,174	\$4,133,229

Consolidated Statements of Cash Flows

	Millions of yen 2012	Millions of yen 2011	Thousands of U.S. dollars (Note 3) 2012
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥3,385	¥30,846	\$41,219
Adjustments for:			
Depreciation and amortization	81,936	95,047	997,520
Loss on impairment of fixed assets	3	441	37
Decommissioning costs of nuclear power units	29	3,211	357
Loss on disposal of property, plant and equipment	2,229	1,992	27,145
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,397	—
Decrease (increase) in fund for reprocessing of irradiated nuclear fuel	3,929	(822)	47,839
Decrease in accrued employees' retirement benefits	(2,045)	(3,505)	(24,899)
(Decrease) Increase in reserve for reprocessing of irradiated nuclear fuel	(3,936)	811	(47,920)
Increase in reserve for reprocessing of irradiated nuclear fuel without specific plans	200	1,598	2,444
Increase in reserve for fluctuation in water levels	3,650	2,382	44,448
Interest and dividends income	(1,150)	(1,148)	(14,003)
Settlement proceeds	(6,000)	—	(73,046)
Decrease (increase) in trade notes and accounts receivable	1,730	(1,302)	21,070
Increase in inventories	(6,144)	(1,927)	(74,810)
(Decrease) Increase in trade notes and accounts payable and other	(2,076)	9,835	(25,281)
Interest expense	12,704	17,505	154,663
Other, net	45	7,718	554
	88,492	165,080	1,077,340
Interest and cash dividends received	1,194	1,184	14,539
Interest paid	(12,746)	(17,841)	(155,175)
Settlement received	6,000	—	73,046
Income taxes paid	(14,892)	(14,591)	(181,305)
Net cash provided by operating activities	68,048	133,831	828,445
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment and nuclear fuel	(57,280)	(68,037)	(697,347)
Contributions received in aid of construction	736	2,470	8,964
Proceeds from sales of property, plant and equipment	121	44	1,483
Increase in investments	(9,921)	(11,814)	(120,785)
Proceeds from investments	7,502	114	91,332
Net cash used in investing activities	(58,841)	(77,222)	(716,353)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	—	30,000	—
Redemption of bonds	(70,000)	(80,000)	(852,203)
Proceeds from long-term loans	112,000	10,000	1,363,525
Repayment of long-term loans	(37,448)	(30,494)	(455,909)
Increase (decrease) in short-term debt, net	15,470	(4,936)	188,337
Disposal of treasury stock	6	17	75
Purchases of treasury stock	(24)	(10,192)	(302)
Cash dividends paid	(10,424)	(10,677)	(126,909)
Other, net	(9)	(3)	(113)
Net cash provided (used in) financing activities	9,569	(96,287)	116,500
Effect of exchange rate changes on cash and cash equivalents	(0)	(0)	(0)
Net increase (decrease) in cash and cash equivalents	18,776	(39,678)	228,592
Cash and cash equivalents at beginning of the year	73,973	113,651	900,574
Cash and cash equivalents at end of the year (Note 7)	¥92,749	¥73,973	\$1,129,166

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 Act 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

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 to the assets included in property, plant and equipment corresponding to asset retirement obligations associated with decommissioning of specified nuclear power units, and the total estimate of decommissioning expenses of nuclear power units is recognized over the expected operating period of nuclear power units in proportion to the ratio of the electric power by nuclear power generation, 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, 2012.

(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 1.6% 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, 2012 was ¥6,501 million (\$79,154 thousand).

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 2011 and 2012 are gain of ¥546 million and loss of ¥325 million (\$3,959 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

Accounting Changes and Error Corrections

Effective April 1, 2011, the Company adopted the "Accounting Standards for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Statement No. 24, issued on December 4, 2009) and the "Guidance on Accounting Standards for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Guidance No. 24, issued on December 4, 2009).

3. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the readers. The rate of ¥82.14 = U.S.\$1.00, the approximate exchange rate prevailing on March 31, 2012, 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, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Hydroelectric power production facilities	¥460,266	¥456,924	\$5,603,444
Thermal power production facilities	824,180	820,994	10,033,848
Nuclear power production facilities	725,350	719,462	8,830,662
Transmission facilities	453,571	450,606	5,521,936
Transformation facilities	318,329	313,132	3,875,451
Distribution facilities	376,896	371,291	4,588,462
General facilities	106,505	108,158	1,296,634
Other facilities	106,847	105,691	1,300,800
	3,371,948	3,346,261	41,051,241
Less: Contributions in aid of construction	(65,430)	(64,749)	(796,575)
	3,306,518	3,281,512	40,254,665
Construction in progress	31,129	26,874	378,978
	¥3,337,647	¥3,308,387	\$40,633,643

5. Investments in Securities

At March 31, 2012 and 2011, marketable securities classified as other securities were summarized as follows:

	Millions of yen			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Aggregate market value
Marketable equity securities	2012			
	¥6,291	¥5,985	¥(77)	¥12,198
	2011			
	¥6,644	¥5,852	¥(361)	¥12,134

	Thousands of U.S. dollars			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Aggregate market value
Marketable equity securities	2012			
	\$76,593	\$72,865	\$(948)	\$148,510

Non-marketable securities classified as other securities were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Non-marketable securities	Carrying value	Carrying value	Carrying value
	¥41,554	¥41,631	\$505,893

Sales of the securities and the aggregate gain were as follows:

	Millions of yen		
	Sales proceeds	Aggregate gain	Aggregate loss
Equity securities	2012		
	¥102	¥12	¥—
	2011		
	¥—	¥—	¥—

	Thousands of U.S. dollars		
	Sales proceeds	Aggregate gain	Aggregate loss
Equity securities	2012		
	\$1,248	\$155	\$—

Impairment loss of other securities was follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
Equity securities	¥391	¥287	\$4,771

Investment in unconsolidated subsidiaries and affiliates included in "Other assets" as of March 31, 2012 and 2011 amounted to ¥9,741 million (\$118,600 thousand) and ¥9,172 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, 2012 and 2011, respectively.

Other consolidated subsidiaries are also subject to corporation tax, inhabitants' 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, 2012 and 2011, respectively.

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2012 and 2011 were summarized as follows:

	2012	2011
Statutory tax rate	36.1%	36.1%
Increase (decrease) in taxes resulting from:		
Decrease of deferred tax assets by changing the effective statutory tax rate	186.1	—
Statutory tax rate differences between the Company and consolidated subsidiaries	10.3	1.3
Valuation allowance	20.8	1.1
Non-deductible expenses for the tax purposes	5.7	0.6
Other	(2.8)	(1.0)
Effective tax rate	256.2%	38.1%

The significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Asset Retirement Obligations	¥13,201	¥14,983	\$160,724
Depreciation	11,383	12,537	138,590
Accrued employees' retirement benefits	10,310	12,425	125,517
Reserve for fluctuation in water levels	3,265	2,521	39,749
Expenses of disposition of polychlorinated biphenyl wastes	2,855	2,449	34,766
Deferred charges for tax purposes	2,728	3,417	33,215
Reserve for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel without specific plans	2,054	2,346	25,011
Elimination of unrealized intercompany profits	1,148	1,158	13,981
Accrued enterprise taxes	1,020	1,132	12,428
Other	17,281	16,973	210,391
Gross deferred tax assets	65,250	69,946	794,377
Less: Valuation allowance	(5,151)	(5,252)	(62,721)
Total deferred tax assets	60,098	64,693	731,656
Deferred tax liabilities:			
Assets corresponding to asset retirement obligations	(11,737)	(13,261)	(142,892)
Net unrealized gain on securities	(1,783)	(1,970)	(21,709)
Other	(4)	(5)	(54)
Total deferred tax liabilities	(13,524)	(15,237)	(164,656)
Net deferred tax assets	¥46,573	¥49,455	\$566,999

(Note)

The "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act for Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011) were promulgated on December 2, 2011, and the staged reduction of the national corporate tax rate and a special reconstruction corporate tax will apply to corporate taxes effective for fiscal years beginning on or after April 1, 2012.

As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed. The net deferred tax assets decreased by ¥5,987 million, and the net unrealized gain on securities and the income taxes-deferred increased by ¥314 million and ¥6,302 million, respectively.

7. Supplementary Cash Flow Information

At March 31, 2012 and 2011, 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
	2012	2011	2012
Cash	¥92,749	¥73,973	\$1,129,166
Cash and cash equivalents	¥92,749	¥73,973	\$1,129,166

8. Short-Term Debt and Long-Term Debt

At March 31, 2012 and 2011, short-term debt and long-term debt consisted of the following:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
(1) Short-term debt			
Loans: From banks and other sources, at a weighted-average interest rate of 0.32% in 2012 and 0.29% in 2011	¥16,716	¥16,246	\$203,509
Commercial papers: At a weighted-average interest rate of 0.13% in 2012	¥15,000	—	\$182,615
	¥31,716	¥16,246	\$386,124
(2) Long-term debt			
Domestic bonds: 0.50% to 3.95% due serially through 2020	¥473,612	¥543,598	\$5,765,921
Loans: 1.05% to 5.00% loans from Development Bank of Japan Inc. due serially through 2023	68,387	68,541	832,573
0.30% to 2.50% loans from other banks, insurance companies and other sources due serially through 2026	244,826	170,121	2,980,600
	786,826	782,261	9,579,094
Less: Current portion	(86,223)	(107,452)	(1,049,711)
	¥700,603	¥674,808	\$8,529,382

The aggregate annual maturities of long-term debt subsequent to March 31, 2012 were summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	¥86,223	\$1,049,711
2014	83,134	1,012,102
2015	96,791	1,178,369
2016	83,421	1,015,596
2017	72,991	888,617
2018 and thereafter	364,265	4,434,696
	¥786,826	\$9,579,094

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 ¥4,705 million (\$57,288 thousand) at March 31, 2012 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Electric power production facilities	¥9,234	\$112,422
Other facilities	7,007	85,306
	¥16,241	\$197,729

9. Accrued Employees' Retirement Benefits

At March 31, 2012, 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, 2012 and 2011 are summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
Projected benefit obligation	¥(85,500)	¥(82,861)	\$(1,040,914)
Fair value of pension plan assets	56,148	52,505	683,568
	(29,352)	(30,355)	(357,345)
Unrecognized actuarial gain or loss	1,736	2,004	21,137
Unrecognized prior service cost	(3,930)	(5,240)	(47,852)
Net amount recognized	(31,546)	(33,591)	(384,060)
Accrued employees' retirement benefits	¥(31,546)	¥(33,591)	\$(384,060)

The components of net pension and severance costs for the years ended March 31, 2012 and 2011 were summarized as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
Service cost	¥3,478	¥3,532	\$42,347
Interest cost	1,610	1,566	19,603
Expected return on plan asset	(1,050)	(978)	(12,784)
Amortization of unrecognized actuarial gain or loss	1,063	507	12,948
Amortization of unrecognized prior service cost (Note 2)	(1,310)	(1,310)	(15,950)
Others (Note 3)	745	3,131	9,080
Pension and severance costs	¥4,537	¥6,449	\$55,243

(Note1) In addition to pension and severance costs above, additional retirement benefits included in operating expenses for the years ended March 31, 2012 and 2011 amounted to ¥2,192 million (\$26,688 thousand) and ¥1,609 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) For the year ended March 31, 2012, other include ¥689 million (\$8,393 thousand) as the installments of defined contribution pension plan, and ¥56 million (\$686 thousand) for the prepayment plan. For the year ended March 31, 2011, other include ¥681 million as the installments of defined contribution pension plan, ¥56 million for the prepayment plan, and 2,393 million as the amount migrated from closed pension scheme to the defined benefit scheme.

The principal assumptions used for the years ended March 31, 2012 and 2011 are summarized as follows:

	2012	2011
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. Contingent Liabilities

The Company's contingent liabilities at March 31, 2012 as a co-guarantor for the indebtedness of others totaled ¥57,489 million (\$699,892 thousand) including ¥40,314 million (\$490,797 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 (\$878,621 thousand) at March 31, 2012.

11. 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 (\$345,587 thousand) at March 31, 2012.

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, 2012 and 2011 is as follows:

(1) Dividends paid

For the year ended March 31, 2012

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 27, 2011	Common stock	¥5,221	\$63,563	¥25	\$0.30	September 30, 2011	November 30, 2011

For the year ended March 31, 2011

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 29, 2010	Common stock	¥5,347	¥25	March 31, 2010	June 30, 2010
Meeting of the Board of Directors on October 29, 2010	Common stock	¥5,347	¥25	September 30, 2010	November 30, 2010

(2) Dividends with the cut-off date in the year ended March 31, 2012 and the effective date in the year ending March 31, 2013

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 27, 2012	Common stock	¥5,221	\$63,562	Retained earnings	¥25	\$0.30	March 31, 2012	June 28, 2012

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)	Source of dividends	Dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 28, 2011	Common stock	¥5,221	Retained earnings	¥25	March 31, 2011	June 29, 2011

12. Settlement Proceeds

Concerning the lawsuit for damages against Hitachi, Ltd., caused by damaged moving vanes in the low-pressure turbine of Shika Nuclear Power Station Unit 2, the matter was settled and the company recognized "settlement proceeds" of ¥6,000 million as "SPECIAL ITEMS" for the year ended March 31, 2012.

13. Other Comprehensive Income

Reclassifications adjustments and tax effects allocated to each component of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Net unrealized gain on securities:		
Amount arising during the year	¥29	\$353
Reclassification adjustments to net income	387	4,719
Amount before tax effect	416	5,073
Tax effect	187	2,279
Net unrealized gain on securities	603	7,353
Share of other comprehensive income of affiliates accounted for by the equity method:		
Amount arising during the year	(15)	(191)
Reclassification adjustments to net income	18	227
Share of other comprehensive income of affiliates accounted for by the equity method	2	35
Total of other comprehensive income	¥606	\$7,388

14. 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, 2012 and 2011 are summarized as follows:

	Millions of yen		
	2012		
	Electric facilities	Other facilities	Total
Acquisition costs	¥3	¥4	¥8
Less: Accumulated depreciation	2	3	6
Net leased assets	¥0	¥0	¥1
	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
	Thousands of U.S. dollars		
	2012		
	Electric facilities	Other facilities	Total
Acquisition costs	\$45	\$52	\$98
Less: Accumulated depreciation	36	48	84
Net leased assets	\$9	\$4	\$13

Obligations under finance leases as of March 31, 2012

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

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 ¥1 million (\$19 thousand) and ¥5 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, 2012 and 2011, respectively.

15. 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, 2012 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).

As of March 31, 2012	Carrying value	Estimated fair value	Difference
Assets			
① Long-term investments (other securities)	¥12,198	¥12,198	¥—
② Fund for reprocessing of irradiated nuclear fuel	21,036	21,036	—
③ Cash	92,749	92,749	—
④ Trade notes and accounts receivable	36,521	36,521	—
Liabilities			
⑤ Corporate bonds (*)	¥473,612	¥490,209	¥16,597
⑥ Long-term debt (*)	313,214	321,452	8,238
⑦ Short-term debt	15,419	15,419	—
⑧ Trade notes and accounts payable	20,263	20,263	—

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	—

As of March 31, 2012	Carrying value	Estimated fair value	Difference
Assets			
① Long-term investments (other securities)	\$148,510	\$148,510	\$—
② Fund for reprocessing of irradiated nuclear fuel	256,107	256,107	—
③ Cash	1,129,166	1,129,166	—
④ Trade notes and accounts receivable	444,630	444,630	—
Liabilities			
⑤ Corporate bonds (*)	¥5,765,921	¥5,967,979	\$202,058
⑥ Long-term debt (*)	3,813,173	3,913,474	100,300
⑦ Short-term debt	187,723	187,723	—
⑧ Trade notes and accounts payable	246,694	246,694	—

(*) 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		Thousands of U.S. dollars
	2012	2011	2012
Unlisted stocks	¥40,905	¥40,987	\$498,001
Investment securities	637	637	7,765
Other	10	6	126
	¥41,554	¥41,631	\$505,893

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

As of March 31, 2012	Millions of yen	
	2013	2014 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	¥4,953	¥—
Cash	92,749	—
Trade notes and accounts receivable	36,521	—
	¥134,225	¥—

As of March 31, 2011	Millions of yen	
	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	¥—

As of March 31, 2012	Thousands of U.S. dollars	
	2013	2014 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	\$60,303	\$—
Cash	1,129,166	—
Trade notes and accounts receivable	444,630	—
	\$1,634,100	\$—

(*) 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.

16. Research and Development Expenses

Research and development expenses included in operating expenses for the years ended March 31, 2012 and 2011 totaled ¥2,184 million (\$26,598 thousand) and ¥3,014 million, respectively.

17. Asset Retirement Obligations

(1) Overview

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

Based on the "Ministerial Ordinance on Reserves for Decommissioning Costs of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989), the total estimate of decommission expenses is recognized over the expected operating period of nuclear power units in proportion to the ratio of the electric power by nuclear power generation.

(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
	2012	2011	2012
Balance at beginning of year	¥63,881	¥62,316	\$777,710
Net changes during the year	1,542	1,564	18,779
Balance at end of year	¥65,423	¥63,881	\$796,489

(Note) "Balance at April 1, 2010" is the balance by having applied "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).

18. 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

	2012				
	Electricity	Other	Total	Adjustment and eliminations	Consolidated
Sales to customers	¥481,009	¥14,109	¥495,118	¥—	¥495,118
Inter-segment sales	614	34,660	35,274	(35,274)	—
Total operating revenues	481,623	48,770	530,393	(35,274)	495,118
Segment income	7,501	4,203	11,705	(43)	11,661
Segment assets	1,345,250	65,506	1,410,756	(24,834)	1,385,922
Depreciation and amortization	78,499	3,720	82,219	(283)	81,936
Capital expenditure	55,013	3,095	58,108	(313)	57,795

	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

	2012				
	Electricity	Other	Total	Adjustment and eliminations	Consolidated
Sales to customers	\$5,855,965	\$171,776	\$6,027,742	\$—	\$6,027,742
Inter-segment sales	7,482	421,966	429,448	(429,448)	—
Total operating revenues	5,863,448	593,742	6,457,191	(429,448)	6,027,742
Segment income	91,326	51,177	142,504	(529)	141,974
Segment assets	16,377,528	797,498	17,175,027	(302,344)	16,872,682
Depreciation and amortization	955,674	45,294	1,000,968	(3,448)	997,520
Capital expenditure	669,747	37,681	707,428	(3,810)	703,618

(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 operations.

(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.

19. Related Party Transactions

Significant transactions of the Company with a corporate auditor for the years ended March 31, 2012 and 2011 were as follows:

Akira Miyama (Corporate auditor of the Company)

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Transactions for the year ended March 31			
Borrowings	¥61,400	¥108,250	\$747,504
Payment of interest	326	292	3,974
Balances as of March 31			
Long-term debt	26,500	19,500	322,619
Short-term debt	3,360	3,360	40,905
Other current liabilities	107	90	1,306

(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

Independent Auditor's Report

The Board of Directors
Hokuriku Electric Power Company

We have audited the accompanying consolidated financial statements of Hokuriku Electric Power Company and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hokuriku Electric Power Company and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.



June 27, 2012
Toyama, Japan

Non-Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY
As of March 31, 2012 and 2011

Non-Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars
ASSETS	2012	2011	2012
PROPERTY, PLANT AND EQUIPMENT:	¥3,300,541	¥3,271,047	\$40,181,899
Less: Contributions in aid of construction	(56,092)	(55,510)	(682,886)
Accumulated depreciation	(2,299,825)	(2,236,724)	(27,998,855)
Property, plant and equipment, net	944,622	978,812	11,500,156
NUCLEAR FUEL:			
Loaded nuclear fuel	26,219	19,027	319,205
Nuclear fuel in processing	68,942	70,761	839,328
Total nuclear fuel	95,161	89,789	1,158,533
INVESTMENTS AND OTHER ASSETS:			
Long-term investments	55,431	55,281	674,845
Investments in subsidiaries and affiliates	23,881	23,580	290,743
Fund for reprocessing of irradiated nuclear fuel	21,036	24,966	256,107
Deferred income taxes	32,075	36,831	390,501
Other assets	2,257	259	27,481
Total investments and other assets	134,683	140,918	1,639,679
CURRENT ASSETS:			
Cash	90,373	71,877	1,100,239
Trade notes and accounts receivable	34,508	36,621	420,122
Inventories	26,315	20,006	320,374
Deferred income taxes	9,765	7,576	118,889
Other current assets	22,706	6,102	276,434
Total current assets	183,669	142,183	2,236,059
TOTAL ASSETS	¥1,358,137	¥1,351,703	\$16,534,428

	Millions of yen	Millions of yen	Thousands of U.S. dollars
LIABILITIES AND NET ASSETS	2012	2011	2012
LONG-TERM DEBT:			
Long-term debt	¥695,301	¥668,232	\$8,464,832
Accrued employees' retirement benefits	25,452	27,733	309,863
Reserve for reprocessing of irradiated nuclear fuel	21,734	25,670	264,606
Reserve for reprocessing of irradiated nuclear fuel without specific plans	5,220	5,019	63,558
Asset retirement obligations	65,423	63,881	796,489
Other long-term liabilities	11,025	11,033	134,229
Total long-term liabilities	824,158	801,570	10,033,580
CURRENT LIABILITIES:			
Short-term debt	21,200	22,300	258,095
Commercial papers	15,000	—	182,615
Current portion of long-term debt and other	88,276	109,204	1,074,713
Trade notes and accounts payable	24,449	25,580	297,655
Accrued income taxes and other	6,878	12,883	83,745
Accrued expenses	38,594	26,066	469,856
Accrued directors' bonuses	—	80	—
Other current liabilities	9,233	10,819	112,408
Total current liabilities	203,632	206,934	2,479,090
RESERVE FOR FLUCTUATION IN WATER LEVELS	10,627	6,976	129,385
Total liabilities	1,038,418	1,015,482	12,642,056
NET ASSETS:			
SHAREHOLDERS' EQUITY			
Common stock: Authorized - 400,000,000 shares Issued - 210,333,694 shares in 2012 and 2011	117,641	117,641	1,432,207
Capital surplus: Legal capital surplus	33,993	33,993	413,846
Retained earnings: Legal reserve	28,386	28,386	345,587
Reserve for overseas investment loss	7	7	93
Reserve for cost fluctuation adjustments	47,500	47,500	578,280
General reserve	80,000	80,000	973,946
Retained earnings brought forward	11,351	28,442	138,194
Treasury stock, at cost	(3,279)	(3,263)	(39,927)
Total shareholders' equity	315,600	332,707	3,842,230
VALUATION, TRANSLATION ADJUSTMENT AND OTHER			
Net unrealized gain on securities	4,118	3,513	50,142
Total net assets	319,719	336,221	3,892,372
TOTAL LIABILITIES AND NET ASSETS	¥1,358,137	¥1,351,703	\$16,534,428

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥82.14 = U.S.\$1.00, the approximate rate of exchange at March 31, 2012.

Non-Consolidated Statements of Operations

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2012	2011	2012
OPERATING REVENUES	¥483,395	¥482,748	\$5,885,025
OPERATING EXPENSES:			
Personnel expenses	52,202	53,855	635,532
Fuel	142,376	82,478	1,733,337
Purchased power	46,002	49,934	560,054
Maintenance	61,935	62,922	754,023
Depreciation	77,537	82,598	943,961
Taxes other than income taxes	29,681	30,623	361,351
Other	65,660	73,707	799,378
	475,396	436,120	5,787,639
OPERATING INCOME	7,999	46,627	97,385
OTHER (INCOME) EXPENSES:			
Interest expense	12,515	17,271	152,361
Other, net	(2,236)	(2,100)	(27,228)
	10,278	15,171	125,133
INCOME (LOSS) BEFORE SPECIAL ITEMS AND INCOME TAXES	(2,279)	31,456	(27,748)
SPECIAL ITEMS:			
Provision of reserve for fluctuation in water levels	3,650	2,382	44,448
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	2,397	—
Settlement received	(6,000)	—	(73,046)
	(2,349)	4,780	(28,597)
INCOME BEFORE INCOME TAXES	69	26,676	849
INCOME TAXES:			
Current	3,963	11,323	48,250
Deferred	2,752	(1,300)	33,507
	6,715	10,022	81,758
NET INCOME (LOSS)	¥(6,645)	¥16,653	\$(80,909)
PER SHARE:	Yen	Yen	U.S. dollars
Net income (LOSS)	¥(31.82)	¥78.52	\$(0.38)
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	Millions of yen
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock at cost	Total shareholders' equity	Net unrealized gain on securities	Total net assets	
		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 APRIL 1, 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 APRIL 1, 2011	210,333,694	117,641	33,993	—	28,386	7	47,500	80,000	28,442	(3,263)	332,707	3,513	336,221
Provision of reserve for overseas investment loss	—	—	—	—	—	0	—	—	(0)	—	—	—	—
Cash dividends paid	—	—	—	—	—	—	—	—	(10,442)	—	(10,442)	—	(10,442)
Net loss	—	—	—	—	—	—	—	—	(6,645)	—	(6,645)	—	(6,645)
Purchases of treasury stock	—	—	—	—	—	—	—	—	—	(24)	(24)	—	(24)
Disposal of treasury stock	—	—	—	—	—	—	—	—	(2)	8	6	—	6
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	—	605	605
BALANCE AT MARCH 31, 2012	210,333,694	¥117,641	¥33,993	¥—	¥28,386	¥7	¥47,500	¥80,000	¥11,351	¥(3,279)	¥315,600	¥4,118	¥319,719

	Shareholders' equity										Valuation, translation adjustments and other	Thousands of U.S. dollars
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock at cost	Total shareholders' equity	Net unrealized gain on securities	Total net assets
		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 APRIL 1, 2011	\$1,432,207	\$413,846	\$—	\$345,587	\$86	\$578,280	\$973,946	\$346,273	\$(39,733)	\$4,050,495	\$42,773	\$4,093,268
Provision of reserve for overseas investment loss	—	—	—	—	7	—	—	(7)	—	—	—	—
Cash dividends paid	—	—	—	—	—	—	—	(127,129)	—	(127,129)	—	(127,129)
Net loss	—	—	—	—	—	—	—	(80,909)	—	(80,909)	—	(80,909)
Purchases of treasury stock	—	—	—	—	—	—	—	—	(302)	(302)	—	(302)
Disposal of treasury stock	—	—	—	—	—	—	—	(32)	108	75	—	75
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	7,368	7,368
BALANCE AT MARCH 31, 2012	\$1,432,207	\$413,846	\$—	\$345,587	\$93	\$578,280	\$973,946	\$138,194	\$(39,927)	\$3,842,230	\$50,142	\$3,892,372

U.S. dollar amounts have been translated from yen, for convenience, at the rate of

¥82.14 = U.S.\$1.00, the approximate rate of exchange at March 31, 2012.

Six-Year Summary

HOKURIKU ELECTRIC POWER COMPANY
Years ended March 31

	2012	2011	2010	2009	2008	2007
Consolidated Statements of Operations Data (Millions of Yen)						
Operating Revenues	495,118	494,165	471,422	524,600	477,911	485,698
Operating Expenses	483,457	444,176	430,428	498,420	450,241	430,340
Operating Income	11,661	49,989	40,994	26,180	27,669	55,358
Other Income Deduction (Net)	8,275	19,143	13,046	11,472	15,016	27,401
Income before Income Taxes and Minority Interests	3,385	30,846	27,948	14,708	12,653	27,957
Income Taxes	8,674	11,758	11,014	7,223	5,297	10,470
Minority Interests in Income of Consolidated Subsidiaries	—	—	—	—	—	227
Net Income (Loss)	(5,288)	19,087	16,933	7,484	7,355	17,259
Net Income (Loss) per Share of Common Stock (Yen)	(25)	89	79	34	34	81
Consolidated Statement of Cash Flows Data (Millions of Yen)						
Net Cash provided by Operating Activities	68,048	133,831	145,762	110,315	67,335	148,162
Net Cash used in Investing Activities	(58,841)	(77,222)	(49,503)	(59,576)	(40,754)	(69,385)
Net Cash provided by (used in) Financing Activities	9,569	(96,287)	(79,445)	(47,875)	21,731	(56,473)
Net Increase (Decrease) in Cash and Cash Equivalents	18,776	(39,678)	16,813	2,863	48,311	22,303
Cash and Cash Equivalents at End of Year	92,749	73,973	113,651	96,837	93,973	45,662

	2012	2011	2010	2009	2008	2007
Non-Consolidated Statement of Operations Data (Millions of Yen)						
Operating Revenues	483,395	482,748	460,290	512,991	466,022	473,415
Lighting (Residential)	159,350	158,662	149,092	156,819	151,470	146,604
Commercial and Industrial	269,399	261,990	248,469	277,607	265,906	258,442
Other	54,645	62,094	62,728	78,564	48,646	68,368
Operating Expenses	475,396	436,120	422,575	490,441	441,663	422,943
Personnel Expenses	52,202	53,855	52,473	48,557	42,630	49,172
Fuel	142,376	82,478	81,953	150,138	129,427	80,023
Maintenance	61,935	62,922	55,617	49,646	38,888	50,695
Depreciation	77,537	82,598	86,240	91,282	97,288	103,525
Purchased Power	46,002	49,934	43,787	53,609	46,619	43,213
Other	95,342	104,331	102,503	97,206	86,810	96,312
Operating Income	7,999	46,627	37,715	22,549	24,359	50,471
Other Income Deduction (Net)	7,929	19,951	12,785	10,625	15,031	25,469
Income before Income Taxes	69	26,676	24,929	11,923	9,327	25,002
Income Taxes	6,715	10,022	9,745	4,980	4,153	9,285
Net Income (Loss)	(6,645)	16,653	15,183	6,943	5,174	15,716
Net Income (Loss) per Share of Common Stock (Yen)	(31)	78	70	32	24	73

	2012	2011	2010	2009	2008	2007
Operating Statistics						
Utility Plant Data						
Generating Capacity (MW)	8,058	8,057	7,963	7,962	8,114	8,114
Hydroelectric	1,904	1,904	1,817	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	1,746	1,898	1,898
New Energy	7	6	—	—	—	—
Route Length of Transmission Lines (km)	3,311	3,301	3,310	3,315	3,304	3,291
Substations (MVA)	29,049	28,651	28,650	28,579	27,760	27,647
Conductor Length of Distribution Lines (km)	121,305	121,078	120,863	120,530	120,226	119,817
kWh Output Data (Millions of kWh)						
Generated	30,151	35,185	31,264	35,028	30,820	34,520
Hydroelectric	6,444	6,180	5,556	5,201	5,518	6,203
Thermal	23,701	16,557	16,035	20,566	25,302	21,947
Nuclear	0	12,445	9,673	9,261	0	6,370
New Energy	6	4	—	—	—	—
Purchased and Interchanged	1,732	(2,438)	(1,089)	(3,779)	1,547	(3,179)
System Operating Requirement (Deduct)	2,985	(3,204)	(3,000)	(3,095)	(3,062)	(3,141)
Total Sales of Electric Power	28,898	29,543	27,175	28,154	29,305	28,200
Peak Load (MW)						
Peak Load (MW)	5,334	5,732	5,159	5,691	5,580	5,488
Date when the Peak Demand was Recorded	Aug. 9	Aug. 5	Jan. 14	Jul. 23	Aug. 9	Aug. 21
Total Sales of Electric Power (Millions of kWh)						
Lighting (Residential)	8,522	8,662	7,995	7,902	7,913	7,514
Commercial and Industrial	20,376	20,881	19,180	20,252	21,392	20,686
Commercial Power	5,186	5,391	5,186	5,239	5,249	5,068
Small Industrial Power	3,700	3,779	3,425	3,686	3,991	4,018
Large Industrial Power	11,097	11,272	10,144	10,901	11,696	11,148
Other Services	424	440	425	426	456	452
Customer Data						
Number of Customers (Thousand)	2,091	2,088	2,084	2,081	2,082	2,082
Lighting (Residential)	1,852	1,842	1,832	1,822	1,815	1,808
Commercial and Industrial	240	246	252	259	267	274
Population Served (Thousand)						
Population Served (Thousand)	2,980	2,993	2,994	3,005	3,014	3,022
Number of Employees						
Number of Employees	5,009	4,971	4,716	4,630	4,611	4,638
Number of Shareholders						
Number of Shareholders	98,352	102,229	110,259	112,779	120,442	120,217



Date of Establishment
May 1, 1951

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

Number of Shareholders
98,352 (At the end of March 2012)

Corporate Resources and Facilities (At the end of March 2012)

Capital (Billions of yen)	117.64
Number of employees	5,009
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)	7
Transmission facilities (Line length in km)	3,311
Transformation facilities (Thousands of kVA)	29,049
Distribution facilities (Conductor length in km)	121,305
Number of contracts (Thousands) (Total of lighting and power contracts)	2,091
Electricity sales (Billions of kWh) (For fiscal year)	28.9

Head Office and Branches

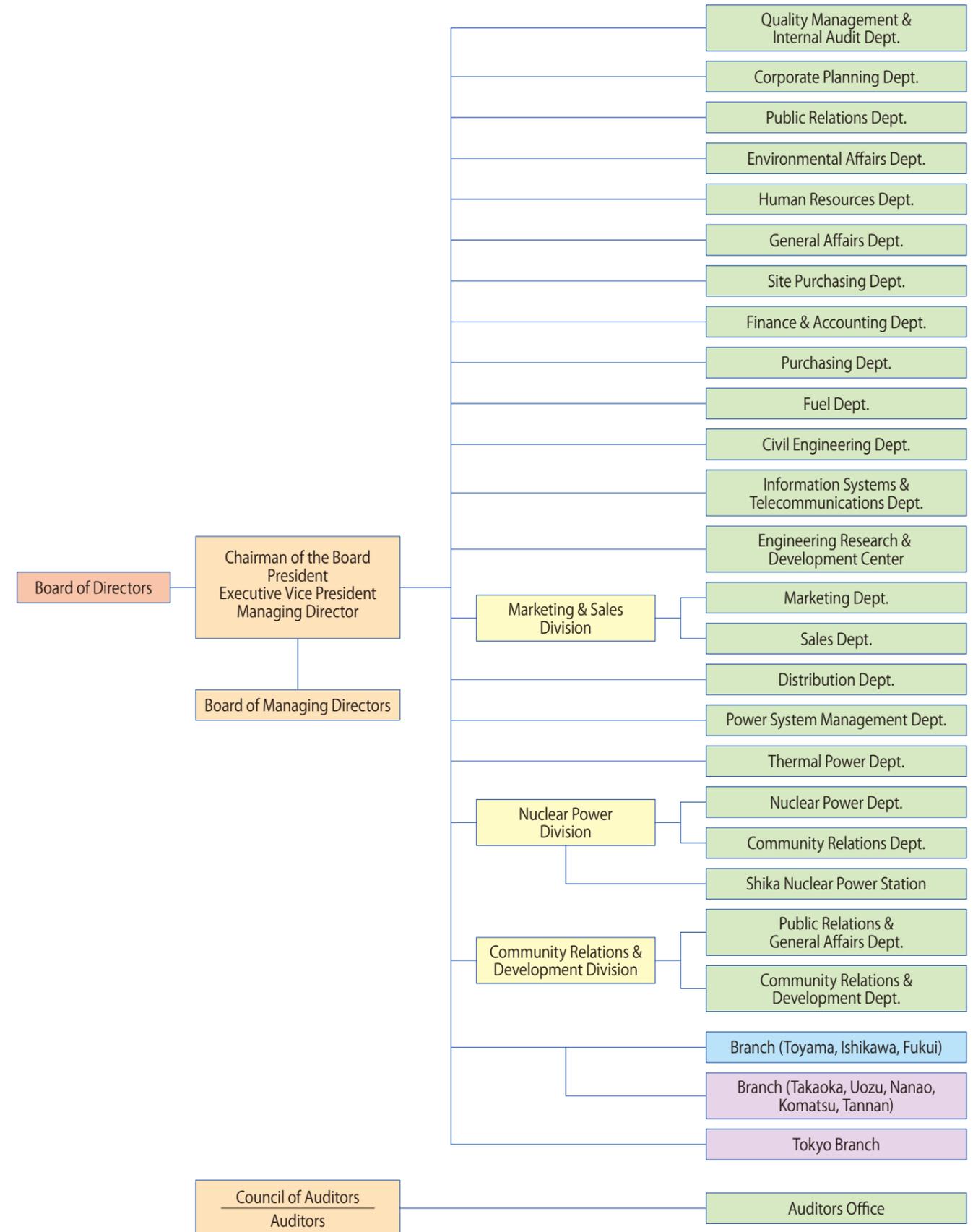
- Head Office : 15-1 Ushijima-machi, Toyama-shi 930-8686, Japan
- Toyama Branch : 13-15 Ushijima-machi, Toyama-shi 930-0858, Japan
- Takaoka Branch : 7-15 Hirokoji, Takaoka-shi 933-0057, Japan
- Uozu Branch : 1-12-12 Shinkanaya, Uozu-shi 937-0801, Japan
- Ishikawa Branch : 6-11 Shimohonda-machi, Kanazawa-shi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

Directors and Auditors

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

Managing Directors : Yukio Arai
 Yutaka Kanai
 Masato Kontani
 Junichi Akamaru
 Shigeru Yano
 Masayuki Horita

Standing Auditors : Koichi Takakuwa
 Takamasa Omi
Auditors : Shinichiro Inushima
 Akira Miyama
 Tatsuo Kawada



List of Affiliated Companies (As of July 1, 2012)

	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	Sale 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, and operation of electrical and other related facilities
	Nihonkai Environmental Service Inc.	50	100.0	1992	Environment survey and greening works
	Hokuden Engineering Consultants Co., Ltd.	50	100.0	2001	Research, design and administration of civil engineering and construction works, etc.
	Hokuriku Denki Shoji Co., Ltd.	10	60.0	1949	Pole advertisement and travel business
	Japan Ecology and Security Service Company	50	51.0	2000	Recycling and storage of classified and preserved documents, and sale of paper products
	Plastic Recycling Technology Company	200	51.0	2002	Plastic recycling

Outline of Supply Facilities (As of April 2012)

