

ANNUAL REPORT 2014

Corporate Profile

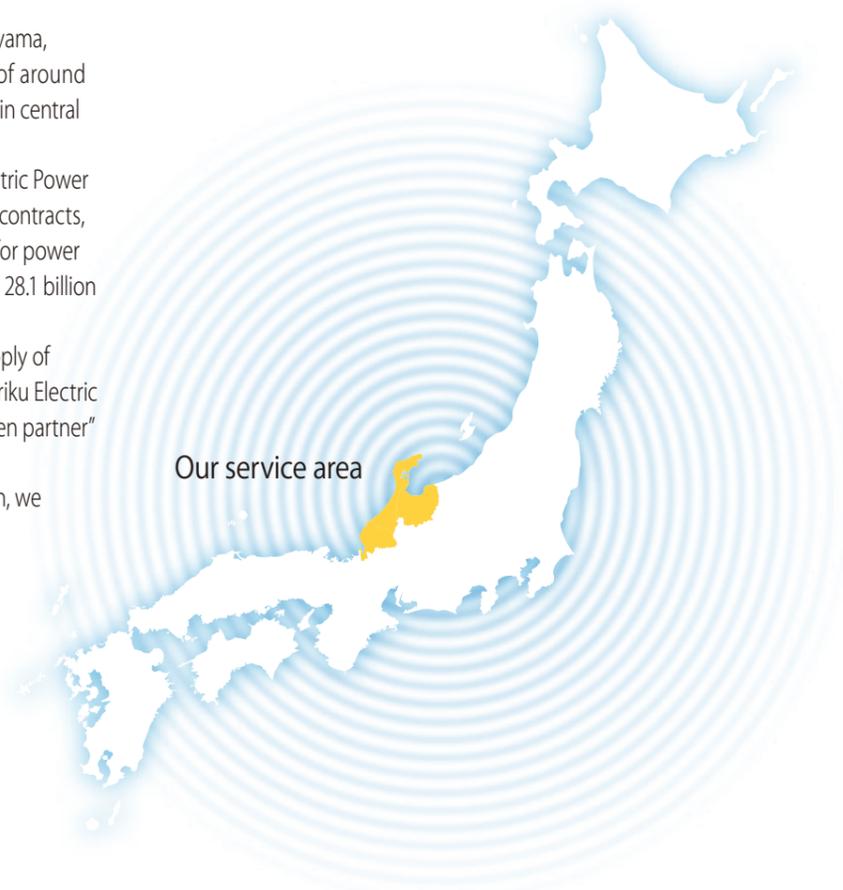
Hokuriku Electric Power Company established on May 1, 1951, supplies electricity through integrated power generation, transmission and distribution systems as one of the ten general electric utilities in Japan.

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 2014), Hokuriku Electric Power Company serves approximately 2.11 million customers on contracts, including 1.88 million for lighting service and 0.23 million for power supply service, and its electricity sales amounted to about 28.1 billion kWh.

In order to fulfill a social mission of ensuring stable supply of low-cost and high-quality energy, we aim to create "Hokuriku Electric Power Group that will serve as your trustworthy and chosen partner" by steadily addressing various 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.



Highlights

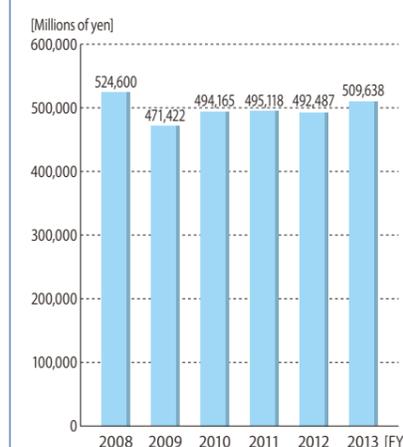
	FY2013	FY2012	FY2013
CONSOLIDATED			
Operating revenue	509,638 millions of yen	492,487 millions of yen	4,951,790 thousands of U.S. dollars
Operating income	19,855 millions of yen	11,758 millions of yen	192,924 thousands of U.S. dollars
Net income	2,516 millions of yen	98 millions of yen	24,452 thousands of U.S. dollars
Net income per share	12.05 yen	0.47 yen	0.11 U.S. dollars
Total assets	1,440,151 millions of yen	1,395,976 millions of yen	13,992,926 thousands of U.S. dollars
NON-CONSOLIDATED			
Operating revenue	495,689 millions of yen	479,502 millions of yen	4,816,261 thousands of U.S. dollars
Operating income	15,703 millions of yen	8,040 millions of yen	152,853 thousands of U.S. dollars
Net income (loss)	1,622 millions of yen	(2,310 millions of yen)	15,766 thousands of U.S. dollars
Net income (loss) per share	7.77 yen	(11.06 yen)	0.07 U.S. dollars
Cash dividends	50.00 yen	50.00 yen	0.48 U.S. dollars
Total assets	1,407,925 millions of yen	1,366,144 millions of yen	13,679,801 thousands of U.S. dollars
Electricity sales	28,078 millions of kWh	28,075 millions of kWh	
Number of customers	2,106 thousands	2,097 thousands	
System peak load	5,263 MW	5,264 MW	
Generating capacity	8,069 MW	8,061 MW	
Hydroelectric	1,913 MW	1,906 MW	
Thermal	4,400 MW	4,400 MW	
Nuclear	1,746 MW	1,746 MW	
New energy	9 MW	9 MW	

At the rate of ¥102.92 = U.S.\$1.00

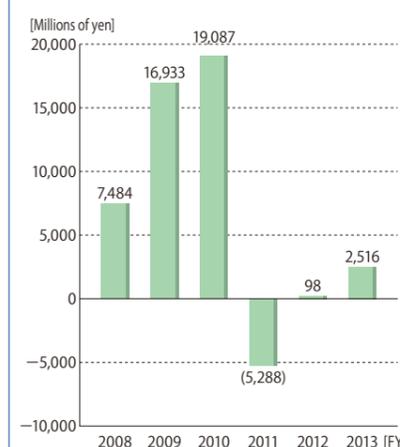
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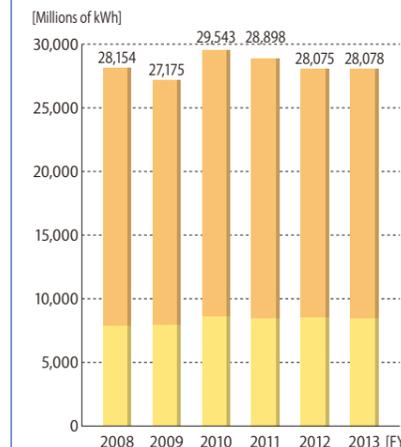
Changes in operating revenue (consolidated)
(6 years from FY2008 through FY2013)



Changes in net income (consolidated)
(6 years from FY2008 through FY2013)



Changes in electricity sales
(6 years from FY2008 through FY2013)



We aim to create “Hokuriku Electric Power Group that will serve as your trustworthy and chosen partner” by fulfilling a social mission of ensuring stable supply of low-cost and high-quality energy.



Left: Isao Nagahara, Chairman of the Board
Right: Susumu Kyuwa, President

At present, all nuclear power stations in Japan have suspended their operations and a very tight power supply/demand situation continues throughout the country. Also, large increases in fuel costs caused by such situation result in a huge loss for respective electric utilities as well as our country. In order to cope with such difficult situation, while striving to ensure supply capability, we have made our utmost efforts to promote measures for reinforcement of safety of Shika Nuclear Power Station and further streamline management and

since shutdown of Shika Nuclear Power Station, we will continue to stably supply electricity through rescheduling of periodic inspections and implementation of prompt and accurate inspection and repair work.

Moreover, in our efforts aimed at stable supply of electricity over the medium- and long-term and further development of power sources using less carbon resources, we will steadily construct LNG-fired Unit 1 of Toyama Shinko Thermal Power Station, which will be our first LNG-fired power generation facility. Furthermore, we are actively introducing and expanding renewable energy sources, including development of Katakai Betsumata Power Station (hydroelectric power) and enhancing the output by repairing and modifying existing equipment and development of Mikuni Wind Power Station which is undertaken by the Nihonkai Power Generating Company, Inc., one of our group companies.

We will try to improve efficiency further to enhance competitiveness.

With regard to the electric power system reform, it has been decided that the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) will start its operation in April 2015 and Japan's retail electricity market is scheduled to be fully liberalized in FY2016. The environment surrounding electric power business stands at a crucial crossroad.

As noted above, while electric power business in Japan stands at a historical turning point, our mission to satisfy our customers through “stable supply of low-cost and high-quality energy” remains unchanged and we will undertake our efforts to fulfill our responsibility.

We will work hard to provide our customers with true benefits through the electric power system reform and try to attain a higher level of managerial efficiency with putting first priority on safety.

We will exert our efforts that are trusted by local communities.

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 contribute to development of the local communities through electric power business runs deep in our corporate culture. We put top priority on trust-based relationships with the people in the local communities and conduct activities that promote interactive communication, in order to help them understand our group's efforts. Also, we will keep up our efforts to work together with the people in the Hokuriku region and protect the local environment, with a view to resolving local problems and revitalizing the local economy.

While fulfilling our mission to stably supply low-cost and high-quality energy, 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 customers, local communities, shareholders, investors and vendors and by practicing corporate social responsibility (CSR).

Isao Nagahara
Chairman of the Board

Susumu Kyuwa
President

operations of all of our group companies.

With a view to continuously fulfilling a social mission of ensuring stable supply of low-cost and high-quality energy, we will steadily deal with various challenges.

We will pursue world's highest level of safety of Shika Nuclear Power Station.

As for additional surveys on the seams in the site of Shika Nuclear Power Station, we put together a final report and submitted it to the Nuclear Regulation Authority (NRA) last December. With taking account of the subsequent field survey by Experts Meeting of NRA (February) and discussions of evaluation meeting, we will continue to provide detailed explanations to help all parties concerned understand safety of Shika Nuclear Power Station.

In addition, as for safety measures at Shika Nuclear Power Station, we at Hokuriku Electric Power Company have steadily worked on measures for reinforcement of safety in the wake of the accidents at Fukushima Daiichi Nuclear Power Station. Moreover, we started work in turn since June last year regarding safety improvement measures in consideration of contents of the new safety standards.

Toward the early resumption of operation of Shika Nuclear Power Station, we will aim our efforts at ensuring safety to bring relief to the people in the local communities, satisfying the new safety standards, and pursuing the world's highest level of safety.

We abide by ensuring stable electricity supply.

The last fiscal year posed a tough power supply/demand situation due to the continued shutdown of Shika Nuclear Power Station. In such situation, we implemented every possible measure to ensure supply capability including rescheduling repair work at hydroelectric and thermal power stations, in addition to cooperation by our customers for saving electricity and energy, which have resulted in stable electricity supply.

As our thermal power stations have been operated at a high utilization rate

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 the 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 ¥11.9 trillion (in nominal terms in FY2010), 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-Toyama-Kanazawa section is now well underway for the start of commercial operation on 14 March 2015 and the construction work in the Kanazawa-Tsuruga section is in progress for the start of commercial operation in FY2025. Also, discussions about shortening of construction period for the Kanazawa-Tsuruga section have been made.

In the road transportation sector, the Tokai-Hokuriku Expressway was brought into full operation in 2008. Construction of the Noetsu Expressway and the Chubu-Jukan Expressway has been well underway and some sections of such expressways have come into service. The Maizuru-Wakasa Expressway was brought into full operation in July 2014 to connect the Chugoku Expressway, the Meishin Expressway and the Hokuriku Expressway together, improving inter-regional access significantly.

On the other hand, in the air transport sector, the Noto Airport started operation in 2003 and has two round-trip flights to Tokyo in a day. The Komatsu Airport has international passenger flights to three destinations such as Taipei, Seoul and Shanghai and regular international cargo flights to Europe and North America. Moreover, the Toyama Airport operates a total of four international flight services to Seoul, Dalian and Shanghai including Taipei where the flight service from the airport started in 2012.

In the sea transportation sector, functions of important ports such as Nanao, Kanazawa and Tsuruga ports are being reinforced at present, including Fushiki Toyama port, an international hub port of the Hokuriku region. Also, in selection of major sea ports along the Sea of Japan with an aim to promote economic exchange with China, South Korea and Russia on the other side of the Sea of Japan and build a highly disaster-resistant logistics network in consideration of the Great East Japan Earthquake, Fushiki Toyama port was selected as an integrated hub port, Kanazawa and Tsuruga ports as major sea ports along the Sea of Japan, and Nanao port as a candidate for development of a hub port (November 2011).

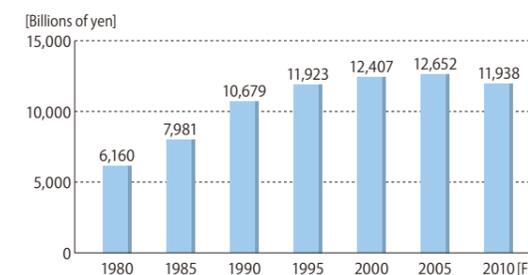


Tateyama chain of mountains (photo shot from Toyama City)

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



Hokuriku Shinkansen (Nagano - Kanazawa) is scheduled to open on 14 March 2015.

Approximate time required after full operation of the entire Hokuriku Shinkansen line*

	Toyama	Kanazawa	Fukui
Tokyo	2 h 8 min	2 h 28 min	2 h 48 min
Osaka	1 h 20 min	1 h 5 min	45 min

*Press release of JR East & JR West on 27 August 2014 and other estimate.

Photo of Hokuriku Shinkansen bullet train



1. Efforts for Early Restart and Safe and Stable Operation of Shika Nuclear Power Station

Accurate response to review on seams in Shika Nuclear Power Station site

- Based on the instruction document "Formulation of Additional Survey Plan for Fracture Zone in the Site (Instruction)" (July 2012) from the Nuclear and Industrial Safety Agency (NISA), **Hokuriku Electric Power Company put together a final report to report to NRA in December 2013.**
- After that, in the field survey (February 2014) by Experts Meeting of NRA, we provided comprehensive explanations on the basis of our survey results in the past. **With taking account of discussions of evaluation meeting, we will continue to provide detailed explanations to help all parties concerned understand safety of Shika Nuclear Power Station.**

Key elements of conclusion of final report

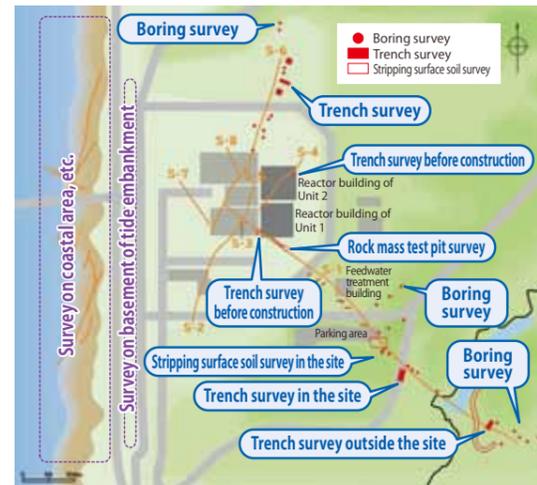
«Seams in the site»

The seam S-1 is not "a fault, etc. that may be active in the future."

The seams in the site other than the seam S-1 are not "faults, etc. that may be active in the future."

«Relations between the seams in the site and nearby faults»

The seams in the site have no relations with nearby faults from the viewpoint of activity, continuity, etc.

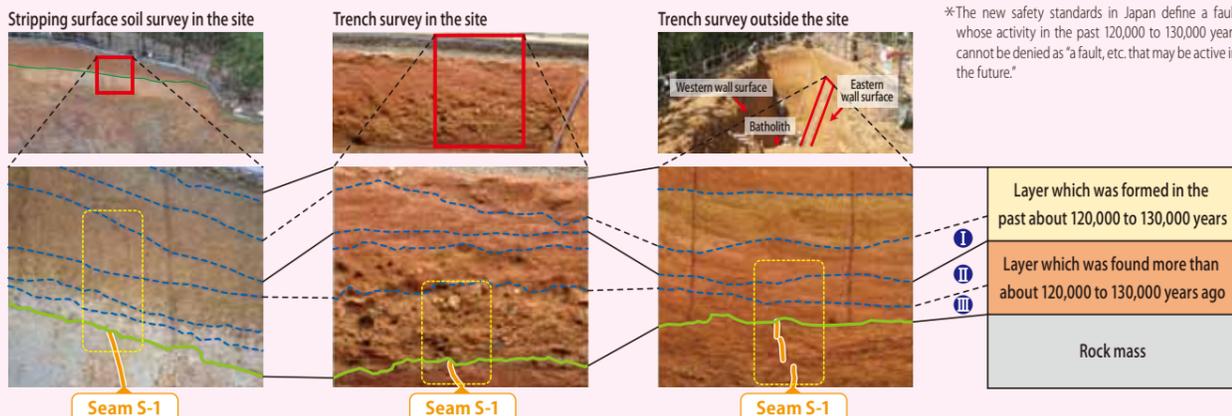


Activity and continuity of seam S-1

- Stripping surface soil survey in the site
- Trench survey in the site
- Trench survey outside the site

Following the stripping surface soil survey (that rips off surface soil) at the slope on the south side of the parking area in the site, the trench survey (that directly digs trenches in the ground) in the southeast direction of the parking area in the site and the trench survey outside the site, since there is no slip or deformation on the surface of rock mass that covers the seam S-1 and in the overlying layer formed about 200,000 years ago, it is confirmed that the seam S-1 has not been active at least in the past 120,000 to 130,000 years*.

*The new safety standards in Japan define a fault whose activity in the past 120,000 to 130,000 years cannot be denied as "a fault, etc. that may be active in the future."

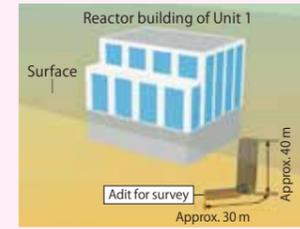


Black vertical lines in the photos at the bottom on the left and right sides show a trace of sampling for analysis.

- Reddish-brown soil (tephra (K-Tz) of 95,000 years ago is recognized)
- Red soil (layer which became red through warm interval of about 120,000 to 130,000 years)
- Silty gravel layer, silt layer and silty sand and gravel layer

Property of seam S-1

Rock mass test pit survey



Observation of seam and its periphery



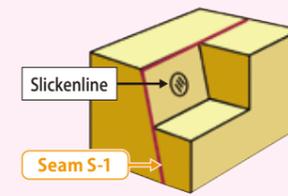
Gravels split up the seam.
The situation of gravels splitting up the seam S-1 is confirmed.

Observation of thin sections



Gravels (about a few millimeters) exist in the seam S-1 (about 1 cm in width) and are not broken.

It cannot be supposed that there were movements to break or rupture gravels.



The slickenline on the seam (S-1) were caused by stress field in the north-south direction and it is confirmed that they were not due to the current stress field in the east-west direction. Therefore, it is likely that the scratches on the seam S-1 were caused quite a long time ago.

(Stress field estimated from scratches)
Compressed to the north-south direction

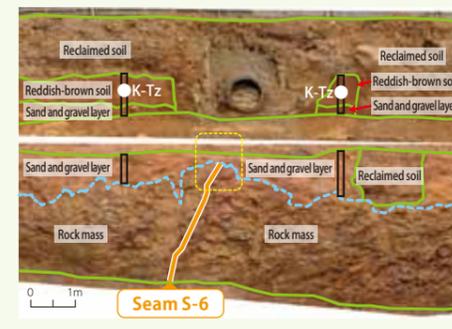
Different

(Current stress field (at least in the past 400,000 years))
Compressed to a nearly east-west direction

Activity and continuity of seams in the site other than seam S-1

- Trench survey
- Boring survey
- Trench survey before construction

As a result of the boring survey, etc., it is confirmed that the seams in the site are not either deep or horizontally wide.



Since the seams in the site have similar properties and constituents, it is likely that they were formed through the same process in the same period.

As a result of the trench survey, since there is no displacement or deformation in the sand and gravel layer (layer of about 120,000 to 130,000 years ago) which covers the seam S-6, it is confirmed that the seam S-6 has not been active in the past about 120,000 to 130,000 years.

Moreover, as a result of the trench survey conducted before construction, since there is no displacement or deformation in the sand and gravel layer (layer of about 120,000 to 130,000 years ago) which covers the seam S-4, it is confirmed that the seam S-4 has not been active in the past about 120,000 to 130,000 years.

Relations between seams in the site and its surrounding faults

【Activity of seams in the site】

Following the stripping surface soil survey and the trench survey, etc., it is confirmed that the seams in the site have not been active in the past about 120,000 to 130,000 years regardless of activity of nearby faults.

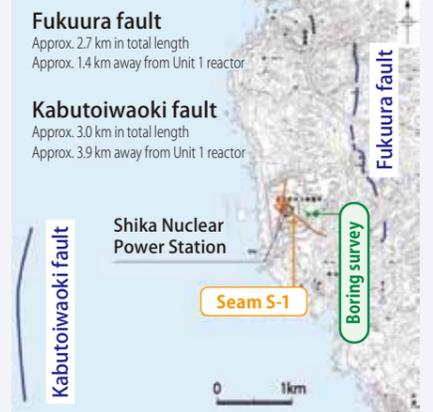
【Continuity with Fukuura fault】

By checking and inspection activities at southeast edge, it is confirmed that the seam S-1 is not linked to Fukuura fault.

As the seam S-1 was not found by boring survey deep in the ground, it is confirmed that it is not linked to Fukuura fault in the ground as well.

【Continuity with Kabutoiwaoki fault】

As a result of the boring survey, etc. so far, it is confirmed that the seams in the site are not linked to the sea.



1. Efforts for Early Restart and Safe and Stable Operation of Shika Nuclear Power Station

Promotion of safety measures aiming at the world's highest level for Shika Nuclear Power Station

■ Following the accidents at Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company, we have steadily implemented "measures for reinforcement of safety" against tsunamis and others at Shika Nuclear Power Station from the viewpoint of "ensuring of power sources," "ensuring of cooling functions" and "prevention of flooding at nuclear power station site."

■ Also, "safety improvement measures" for which construction work has been carried out based on the new safety standards, etc. are preferentially implemented at Unit 2 on a schedule of completing the construction work within FY2014 (however, installation of filtered vent equipment for containment vessel is scheduled to be completed in FY2015).

■ We will aim our efforts at voluntarily and continuously improving safety to bring comfort and relief to the people in the local communities, satisfying the new safety standards, and pursuing the world's highest level of safety.

Shika Nuclear Power Station Outline of safety improvement measures

■ Reinforcement of alternative water injection functions for reactors and containment vessels

In addition to existing alternative water injection methods including fire engines and others, water injection functions for reactors and containment vessels are reinforced further by installing pumps and water injection pipes.

- Installation of permanent alternative water injection equipment (alternative low-pressure pumps, water injection pipes, etc.)
- Additional installation of portable alternative water injection equipment (large-capacity pumping vehicles, fire engines, hoses, etc.)
- Installation of large fresh water storage tanks
- Reinforcement of atmospheric monitoring functions for containment vessels

— Red color: safety improvement measures (From June 2013)
 - - - Blue color: measures for reinforcement of safety (From April 2011)

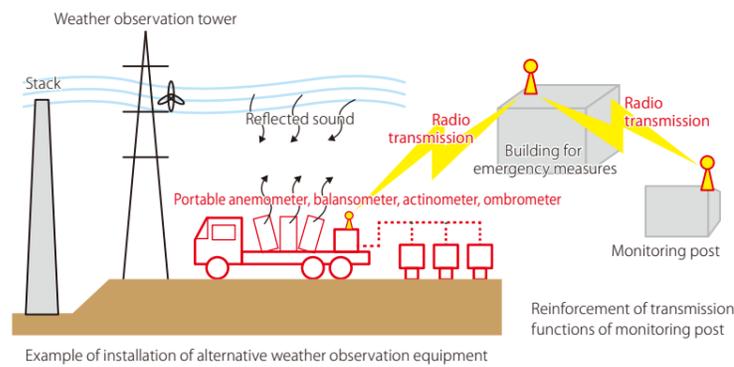
■ Installation of alternative heat exchange systems

Pumping vehicles and pipes to supply seawater for heat removal are added in case that permanent seawater pumps become unusable.

- Installation of water pipes (seawater system and water system for reactor component cooling)
- Deployment of large-capacity pumping vehicles for seawater supply

■ Reinforcement of environment monitoring equipment functions

- Installation of radio transmission devices at monitoring posts
- Deployment of portable monitoring posts as alternatives
- Deployment of portable anemometers, balansometers, actinometers and ombrometers as alternative weather observation equipment



■ Reinforcement of monitoring and water injection functions of spent fuel storage pool

- Installation of alternative water injection equipment (water injection pipes, etc.)
- Additional installation of monitoring equipment (wide-area water gauge, thermometer, monitoring camera, etc.)
- Deployment of concrete pumping vehicles with boom to inject water into spent fuel storage pool from outside

■ Reinforcement of reactor depressurization functions by safety relief valves

- Functions to open safety valves for easier water injection into reactors and depressurize reactors during an accident are reinforced.
- Installation of safety relief valve auxiliary actuation devices and nitrogen cylinders for actuation of such devices
 - Addition of logic circuit to ensure opening of safety relief valves

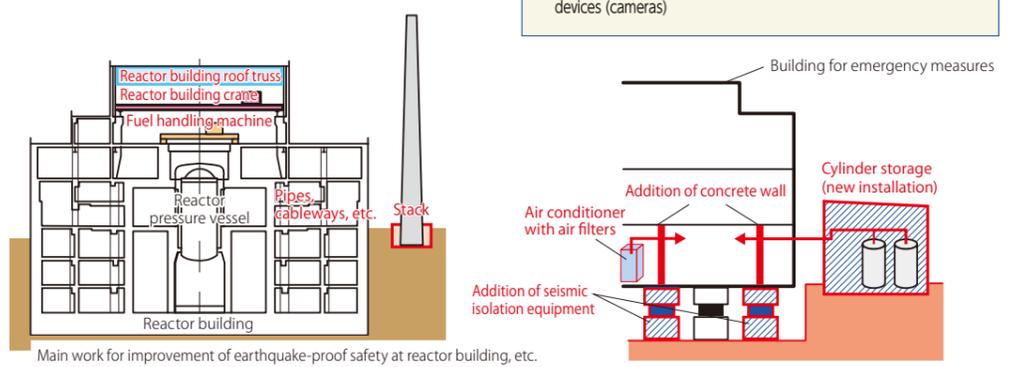
■ Installation of filtered vent equipment for containment vessel

An equipment to reduce the release of radioactive substances is installed when relieving pressure outside, in order to prevent damage of containment vessel by excessive pressure during an accident.

- Installation of filtered vent equipment for containment vessel and its building
- Additional installation of radiation monitors at containment vessel vent line

■ Improvement of earthquake-proof safety

- Reactor building roof truss
- Reactor building crane
- Fuel handling machine
- Stack
- Pipes, cableways, etc.



■ Reinforcement of DC power sources including expansion of battery capacity, etc.

The capability of DC power sources is reinforced to make possible longer monitoring and control activities in case of station blackout.

- Expansion of battery capacity through connection of emergency DC bus with normal DC bus
- Deployment of DC power supply vehicles as portable power sources

For the purpose of further increasing reliability on emergency power sources deployed as part of measures for safety reinforcement, the following steps have been taken:

- Installation of gas turbine generators as permanent alternative AC power sources as well as their underground gas oil tank
- Deployment of low-voltage power supply vehicles as portable AC power sources

■ Reinforcement of flooding prevention functions

- Reduction of flood water volume (Installation of leakage detectors, cameras, etc.)
- Creation of water drainage system (Changing to perforated hatches and others, installation of embankment, etc.)
- Prevention of leakage into adjacent buildings and rooms (Waterproofing of penetrations, installation of watertight doors, etc.)

■ Reinforcement of fire protection functions

- (Internal fire countermeasures, etc.)
- Fire prevention (installation of hydrogen leakage detectors, etc.)
 - Fire detection and firefighting (installation of different types of fire detectors, automatic fire extinguishing equipment, etc.)
 - Reduction of effects of fire (installation of fire-resistant wall, fireproof doors and fireproof dampers, fire proofing of penetrations, etc.)
 - Installation of portable nitrogen supply devices at containment vessel and installation of hydrogen treatment system in reactor buildings
- (Other countermeasures)
- Deployment of water cannons
 - Creation of firebreak to prevent expansion of forest fire to reactor buildings, etc. (tree cut down)
 - Shielding of part of external wall with concrete to protect reactor buildings from radiant heat of flammable material storage tank fire
 - Protective treatment on outer face of gas oil tank, etc. for protection from flying objects

■ Reinforcement of functions of building for emergency measures

- Addition of reinforced concrete wall at first floor of building for emergency measures
- Installation of devices to maintain positive pressure with air cylinders (addition of cylinder storage) and air conditioner with air filters
- Additional installation of seismic isolation equipment
- Installation of data collection systems in place of process computers
- Installation of natural phenomenon (including tsunamis) monitoring devices (cameras)

1. Efforts for Early Restart and Safe and Stable Operation of Shika Nuclear Power Station

Approach that is fundamental to safer and stabler operation of Shika Nuclear Power Station

- More than 1,200 sessions of training were conducted at Shika Nuclear Power Station after the Great East Japan Earthquake to improve response capabilities to large-scale earthquakes and tsunamis, and the effectiveness of safety measures has been enhanced.
- We will continuously conduct trainings to attain a higher level of safety and will carefully and thoroughly inform, in an easy-to-understand manner, the people in the local communities about safety of Shika Nuclear Power Station.

Implementation of nuclear disaster prevention training

In November 2013, Hokuriku Electric Power Company conducted a response training to improve skills for nuclear emergency organization and acquaint itself with operations to respond to emergency situations, in addition to participation in nuclear emergency drill in Ishikawa prefecture.

The training was carried out assuming that an earthquake in the upper 6 level on the Japanese earthquake scale was measured in Shika-machi, and a total of about 240 power station workers and supporting company workers participated in it.

In Shika Nuclear Power Station, we implemented an overall training with using new equipment for the first time in an emergency measures room of the building for emergency measures which started operation in September 2013, in order to get familiar with facilities and equipment and confirm effectiveness of notification training, information collection, etc.

We will continuously hold trainings to promptly and accurately respond to disasters.



Water intake and delivery training using fire engine



Training of environmental radiation monitoring during emergency situations

Nuclear Safety Reliability Conference

We have formed the "Nuclear Safety Reliability Conference," an organization designed to gather multilateral opinions and comments from outside knowledgeable persons on the overall measures related primarily to the operation and management of Shika Nuclear Power Station.

At its sixth meeting held in May 2014, we received attendees' opinions on approaches to safety culture in the company and improvement of employees' motivation in particular and public relations activities concerning nuclear power for the people in the local communities as main topics.

We are planning to hold such meetings regularly to hear the views and opinions.



6th meeting of Nuclear Safety Reliability Conference

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

We will work on company-wide efforts through every opportunity to carefully and thoroughly inform, in an easy-to-understand manner, the people in the local communities about the safety of Shika Nuclear Power Station, in order to gain their understanding and provide sense of relief.



Site visit

<FY2013 results>

- Paying visits for dialogue (local governments, economic organizations, large customers, etc.) : 17,833 times
- Site visit to Shika Nuclear Power Station (tours organized for applications and various organizations) : 302 times
- Briefing sessions to residents' associations, female groups, labor organizations, etc. : 536 times

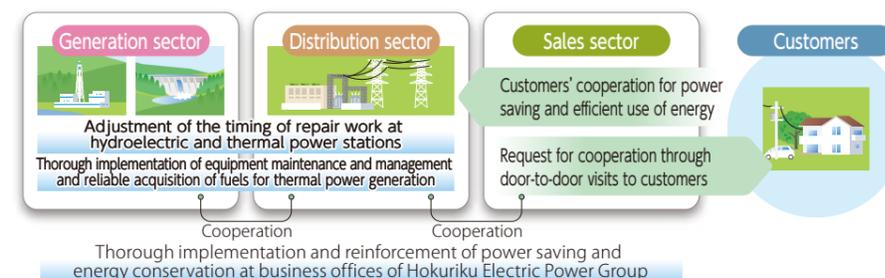
2. To Ensure Stable Supply of Electricity

- As shutdown of Shika Nuclear Power Station has continued, we implement every possible measures to ensure electricity supply, including rescheduling repair work at hydroelectric and thermal power stations, in addition to cooperation from our customers for saving electricity and energy by offering proposals that contribute to energy conservation, etc. of our customers, which have resulted in realization of electricity.
- The entire Hokuriku Electric Power Group will continue to make a concerted effort to realize stable demand and supply of electricity.

Major initiatives to ensure stable demand and supply of electricity

Ensuring of assured supply capability and reinforcement of response capability when risks occur

In order to achieve the mission of stable supply by ensuring supply capability, we will steadily take steps in respect of facilities and equipment and conduct disaster prevention trainings in preparation for various risks such as shutdown of large-capacity power sources, large-scale disasters, extreme weather conditions, etc.



Response to thermal power stations in high-load operation

In the situation that thermal power stations are in high-load operation due to the prolonged shutdown of Shika Nuclear Power Station, troubles of thermal power stations have led to power station shutdown.

To cope with this situation, Hokuriku Electric Power Group has implemented prompt inspection and repair activities in a coordinated manner and made arrangement with the relevant sections to conduct periodic inspections in other seasons than summer and winter when electricity demands go up, in order to ensure electricity supply capability.



Scene of periodic inspection of Unit 4 of Toyama Thermal Power Station (Hokuriku Plant Services Co., Ltd.)

Major troubles at our thermal power stations (FY2013)

Power station	Unit name	Output	Description of trouble
Toyama Shinko Thermal	Coal-fired Unit 1	0.25 million kW	Shutdown since July 9 due to solid matter falling from the stack. Restart operation on July 23 after inspection.
Toyama Shinko Thermal	Coal-fired Unit 2	0.25 million kW	Extension of equipment inspection period to remove deposits inside the stack (completion date changed from July 20 to August 5)
Nanao Ohta Thermal	Unit 1	0.5 million kW	Shutdown on August 21 due to steam leakage inside the boiler. Restart operation on September 3.

Rescheduling of periodic inspection at thermal power stations

Power station	Unit name	Output	FY2012				FY2013				
			Spring	Summer	Autumn	Winter	Spring	Summer	Autumn	Winter	
Toyama Thermal	Unit 4	0.25 million kW					○	●			
Fukui Thermal	Mikuni Unit 1	0.25 million kW	●	○							
Tsuruga Thermal	Unit 1	0.5 million kW			○			●			
Nanao Ohta Thermal	Unit 1	0.5 million kW					○	●			
Nanao Ohta Thermal	Unit 2	0.7 million kW	○					●			

○ : Initially scheduled inspection time ● : Rescheduled inspection time

Efforts in the future

Steady promotion of construction project of LNG-fired power generation facility

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

*It is a power generation facility combining a gas turbine and a steam turbine with higher heat efficiency than that of the conventional steam turbine power generation, which will result in more effective use of energy.

Output	Scheduled start of construction	Scheduled start of operation	CO ₂ emissions reductions*
424,700 kW	FY2015	FY2018	Approx. 1.2 million t-CO ₂ per year

*CO₂ emissions reductions due to the start of LNG-fired Unit 1 operation at Toyama Shinko Thermal Power Station



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

Development schedule

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Overall time schedule	Completion of environmental impact assessment procedure	Start of preparatory work	Start of construction	Decommissioning of coal-fired unit 1		Start of operation
Environmental impact assessment	Survey, forecast and evaluation of environmental impacts	Review of draft Environmental Impact Statement	Environmental Impact Statement			
Preparatory work						
Construction work						

3. Challenge to Further Improve Efficiency

- In FY2013, as a result of our utmost efforts to further improve efficiency including active utilization of Japan Electric Power Exchange, in addition to use of coal-fired power stations with less generation cost to the maximum extent possible through rescheduling and shortening of periodic inspection, we have achieved cost reduction totaling **24 billion yen which exceeds our initial target amount for cost reduction.**
- To continuously cope with severe managerial environment also in FY2014, we will make continuous efforts in the whole operations by curbing material procurement, fuel, personnel and other costs to achieve a goal of cost reduction totaling **24 billion yen that remains the same level as that of FY2013.**

Measures for improving managerial efficiency

Amount of improving managerial efficiency (planned and actual figures for FY2013, planned figures for FY2014)

	FY2013		FY2014	Main cost reduction items
	Planned figures	Actual figures	Planned figures	
Efforts to cut costs including personnel expenses, miscellaneous costs, etc.*	7 billion yen	7 billion yen	8 billion yen	<ul style="list-style-type: none"> Continuous cost reduction to procure materials with greater adoption of competitive bids Increase in utilization of low ash and low cost coals (from Indonesia, Russia, etc.) Control of personnel expenses by streamlining operations Control of miscellaneous costs by clearly prioritize measures and actions to be taken
Streamlining processes and contents of periodic inspections at thermal power stations	8 billion yen	8 billion yen	9 billion yen	<ul style="list-style-type: none"> Reduction of fuel costs by improving processes and contents of periodic inspections at thermal power stations
Efforts toward realization of efficient power supply/demand control through utilization of Japan Electric Power Exchange, etc.	8 billion yen	9 billion yen	7 billion yen	<ul style="list-style-type: none"> Sale of electricity to Japan Electric Power Exchange with maximizing utilization of excessive supply capability
Total	23 billion yen	24 billion yen	24 billion yen	

*Measures are carried out by Emergency Management Task Force, etc. in FY2013

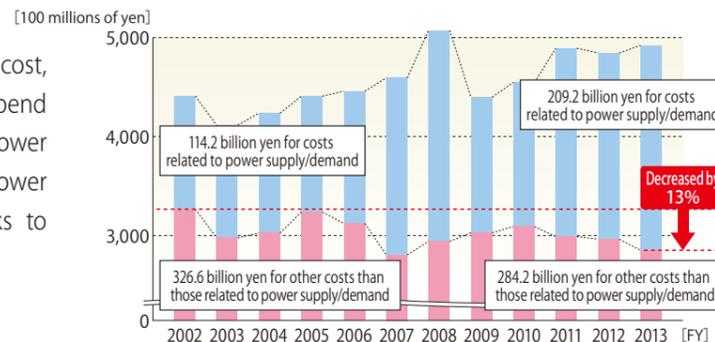
Measures for improving managerial efficiency in the past

Hokuriku Electric Power Company has continuously taken measures for improving managerial efficiency.

- V Plan 21 Achievement Project (From FY2001 to FY2005)** Response to expanded scope of liberalization in electric power market 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 electric power demand following economic downturn precipitated by the Lehman Shock and other factors
- 2012 Emergency Management Task Force (FY2012)** Response to harsh managerial environment due to increase in fuel costs associated with shutdown of Shika Nuclear Power Station and other factors

<Changes in ordinary expenses>

While the costs related to power supply/demand (fuel cost, purchase cost of electricity from other utilities, etc.) depend highly on fossil fuel prices or operational status of nuclear power stations, ordinary expenses excluding the costs related to power supply/demand decreased by 13% from FY2002, thanks to efforts to streamline management and operations.

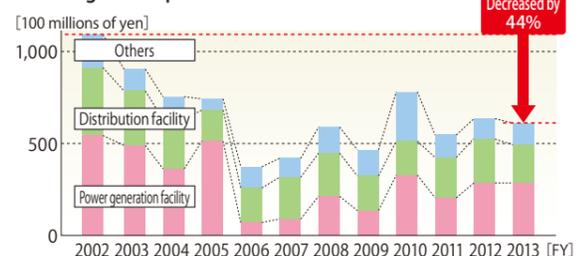


<Changes in individual cost>

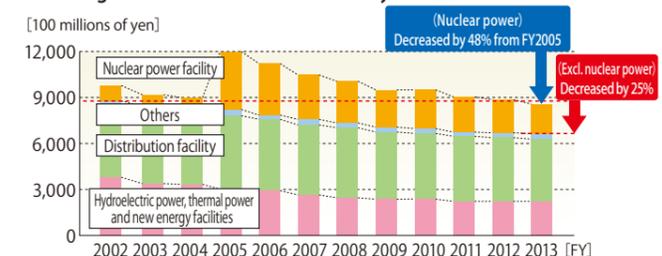
Changes in capital investment and fixed assets for electricity business

While making steady efforts for establishment and renewal of facilities and equipment with putting highest priority on safety, we have striven to examine details of construction work for reduction of capital investment amount. Consequently, the capital investment amount decreased by 44% from the level of FY2002. In addition, nuclear power facilities in our fixed assets for electricity business decreased by 48% from the level of FY2005 when Unit 2 of Shika Nuclear Power Station started commercial operation. Our fixed assets for electricity business other than nuclear power facilities decreased by 25% from the level of FY2002.

Changes in capital investment

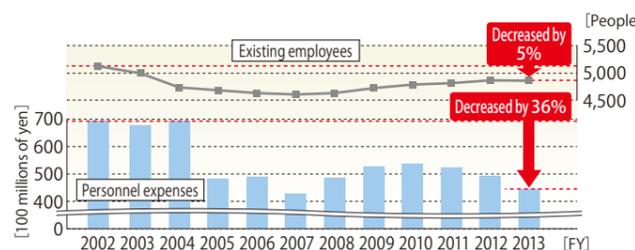


Changes in fixed assets for electricity business



Changes in personnel expenses

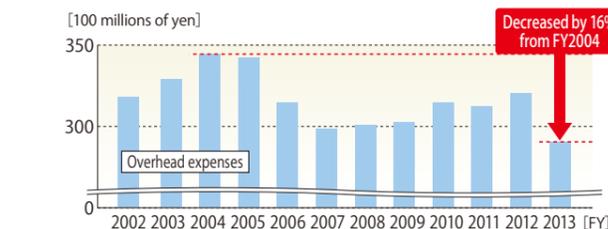
Our existing employees decreased by 5% compared to FY2002, because of the efforts for more efficient business operations including organizational revision. Personnel expenses declined by 36% compared to FY2002, due to revision of wage system and review of welfare system as well as reductions in bonus and retirement benefit expenses.



Changes in overhead expenses

Overhead expenses* dropped by 16% from the level of FY2004, due to continuous work improvement activities and reduction in outsourcing expense through change of specifications and unit price revision.

*Overhead expenses: supplies cost, compensation cost, rent expense, outsourcing expense, property insurance premium, business public relations cost, human resource development cost, research cost, other costs and expenses (except for depreciation on CO₂ credits, special costs of construction work to reinforce earthquake resistance of nuclear power facilities)



4. Response to Electric Power System Reform

- We will work to provide our customers with true benefits through the electric power system reform. With keeping in mind that stable electricity supply should come first, we will engage in our business operations in consideration of social needs and continue to aim at creating a corporate group that will serve as your trustworthy and chosen partner.

Stage 1: Establishment of Organization for Cross-regional Coordination of Transmission Operators (OCCTO)

This organization is expected to play a role in smooth cooperation of electric utilities in a wide area and response to wider use of renewable energy. Hokuriku Electric Power Company will actively cooperate in detailed examination of establishment of this organization.

Stage 2: Full liberalization of retail electricity market

We will examine our schedule of electricity rates and charges and services for the purpose that we will be chosen by electricity customers and satisfy them. However, we think that stability of electricity demand and supply through resumption of operation of nuclear power stations whose safety is confirmed is essential to make the electric power system reform effective.

Stage 3: Legal unbundling of transmission and distribution sectors

Verification and examination should be carried out step-by-step instead of strictly adhering to the schedule of the reform, in order to avoid hindering stable supply. If a problem occurs in the course of the reform, we think that we should reconsider the reform including whether the legal unbundling should be advanced or not in a flexible manner.

Implementation schedule of electric power system reform

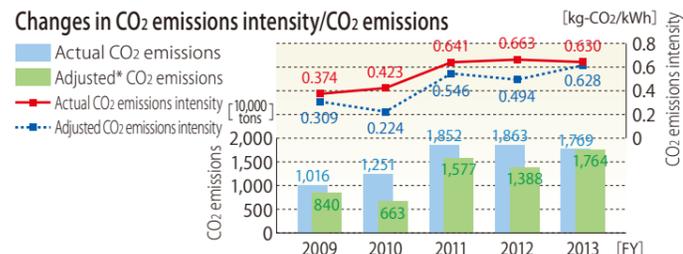
Stage	FY2015	FY2016	FY2017	FY2018-2020
Stage 1	Establishment of OCCTO			
Stage 2	Full liberalization of retail electricity market			
Stage 3	Legal unbundling of transmission and distribution sectors			

5. Steady Efforts for Wider Use of Renewable Energy

Hokuriku Electric Power Group has put a lot of work into introduction of renewable energy including hydroelectric power, wind power, photovoltaic power and biomass, etc. Composition ratio of renewable energy in terms of the amount of electricity produced in FY2013 totaled 28% with 27% for hydroelectric power and 1% for wind power, photovoltaic power, etc.

Efforts for deployment of low-carbon generation resources

Since the amount of electricity produced by thermal power stations grows due to the prolonged shutdown of Shika Nuclear Power Station, CO₂ emissions become large accordingly. Hokuriku Electric Power Group actively makes efforts to reduce carbon emissions of generation resources such as resumption of operation of Shika Nuclear Power Station, new installation of LNG-fired power plants, wider use of renewable energy. The group also strives to encourage our customers to use energy more efficiently by offering highly efficient equipment which contributes to energy saving and reduction of CO₂ emissions.



* Adjusted values reflect adjustments of CO₂ credits (till FY2012) and the Feed-in Tariff Scheme for Renewable Energy (from FY2012).
 (Note) The customers who consume electricity produced by our company should use "actual CO₂ emissions intensity" in calculating "greenhouse gas emissions" to report their emissions to the national government under the "Act on Promotion of Global Warming Countermeasures" (Global Warming Act) and should use "adjusted CO₂ emissions intensity" in calculating "adjusted greenhouse gas emissions."

Hydroelectric power generation

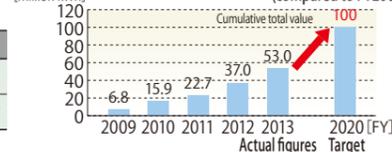
We will endeavor to further expand annual power generating capacity from approx. 80 million kWh to 100 million kWh by FY2020 (in comparison with FY2007), which includes the development of Katakai Betsumata Power Station (Uozu-shi, Toyama), utilization of river maintenance discharge* and output expansion by repairing and modifying existing equipment. *River maintenance discharge: Water discharged from dams for the purpose of maintaining river environment

Hydroelectric power stations under development

Name of power station	Output	Electricity generated	Scheduled start of operation	CO ₂ emissions reductions*
Kitamata Dam	130kW	Approx. 0.9 million kWh per year	Nov. 2014	Approx. 500 t-CO ₂ per year
Katakai Betsumata	4,400kW	Approx. 17.4 million kWh per year	FY2016	Approx. 10,400 t-CO ₂ per year

*Calculated using adjusted CO₂ emissions intensity of our company in FY2013

Expansion of electricity generated by hydroelectric power (compared to FY2007)



Site of construction work for Katakai Betsumata Power Station

Trends of Electricity Demand

Summary of business performance in FY2013 (from April 1, 2013 to March 31, 2014)

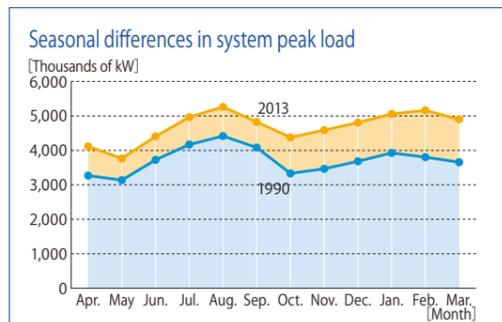
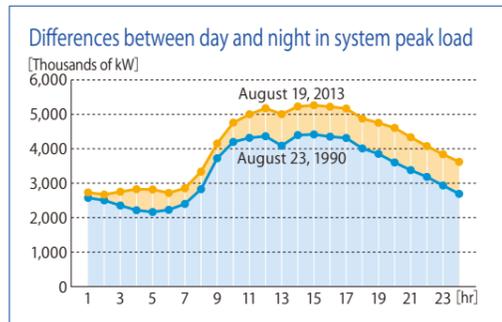
Japan's economy in FY2013 continued to make a slow recovery, due to an improved trend in production and employment thanks to increased export with correction of the highly appreciated yen and the growth of domestic demand. In addition to expanded housing investment through the year, the rush demand before the hike of consumption tax had a positive effect to increase individual consumption in the latter half of the year. Economic conditions in the Hokuriku region followed a similar pattern.

In such economic situation, our electricity sales for lighting service during the year fell from the previous year's level due to the decreased demands for cooling and heating as average winter temperature exceeded that of the previous year. Our electricity sales in the commercial sector during the year stayed at almost the same level as in the previous year. Our electricity sales for the year in the industrial and other sectors were above the previous year's level due to an increase in electricity demand of large-scale consumers including machinery industry.

Consequently, our electricity sales amounted to 28.078 billion kWh (inclusive of 18.332 billion kWh for specified-scale demand), which remained almost the same level as in the previous year.

We faced difficulties regarding supply capability for not being able to operate Units 1 and 2 of Shika Nuclear Power Station since the previous year.

But, thanks to the cooperation of our customers to save power during summer and winter seasons and the fact that the flow rate (104.9%) was higher than that in the average year, in addition to implementing various measures on supply side including the adjustment of the timing of repair work at our hydroelectric and thermal power stations, we were able to maintain stable supply of electricity.



Financial Review

Consolidated Balance Sheets

As of March 31, 2014 "total assets" increased by ¥44.1 billion, or 3.2 percent, from the previous fiscal year-end to ¥1,440.1 billion. This was mainly due to an increase of cash and deposits because of the bond issuance.

"Total liabilities" increased by ¥50.4 billion, or 4.7 percent, from the previous fiscal year-end to ¥1,115.3 billion. This was mainly due to an increase of interest-bearing liabilities.

"Net assets" decreased by ¥6.2 billion, or 1.9 percent, from the previous fiscal year-end to ¥324.8 billion. This was mainly due to a payment for dividends.

Consolidated Statements of Operations

In the fiscal year ended March 31, 2014, "operating revenue" increased by ¥17.1 billion, or 3.5 percent, year on year to ¥509.6 billion. This was mainly due to the increases in subsidy, and grant under Action Purchase of Renewable Energy sourced Electricity though the volume of electricity sales in the electricity business remained almost unchanged from those in the previous consolidated fiscal year.

"Ordinary income" increased by ¥8.1 billion, or 477.7 percent, year on year to ¥9.8 billion. Despite the amount of electricity generated by hydroelectric power facilities in the electricity business went up thanks to a higher level of precipitation, the number of days for periodic inspection of coal-fired power stations became larger than that in the previous year, leading to the rise in oil-fired power generation which resulted in the increase of fuel costs. On the other hand, facility related costs and other expenses decreased thanks to the efficiency effort.

For the fiscal year, the Company recorded "income taxes" of ¥3.2 billion and "Provision of reserve for fluctuation in water levels" of ¥4.0 billion. As a result, "net income" increased ¥2.4 billion, year on year to ¥2.5 billion. "Net income per share" increased by ¥11.58, year on year to ¥12.05.

Consolidated Statements of Cash Flow

The balance of cash and cash equivalents as of March 31, 2014 increased by ¥68.3 billion, or 58.7 percent, from the previous fiscal year to ¥184.6 billion.

Net cash provided by "operating activities" decreased by ¥4.8 billion, or 5.6 percent, from the previous year to ¥81.6 billion, mainly due to the decrease of the depreciation.

Net cash used in "investing activities" decreased by ¥1.7 billion, or 2.8 percent, year on year to ¥60.0 billion, mainly due to the decrease of purchase of property, plant and equipment.

Net cash provided by "financing activities" was ¥46.7 billion, a turnaround from net cash used in financing activities of ¥1.1 billion in the previous fiscal year. This was mainly due to an increase of income from bond issuance.

Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY AND CONSOLIDATED SUBSIDIARIES
As of March 31, 2014 and 2013

Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars
ASSETS	2014	2013	2014
Noncurrent assets	¥1,160,354	¥1,183,664	\$11,274,338
Property plant and equipment for (Note 6)	863,665	894,722	8,391,617
Hydroelectric power production facilities	110,566	113,884	1,074,292
Thermal power production facilities	112,859	111,482	1,096,570
Nuclear power production facilities	192,552	216,671	1,870,896
Transmission facilities	169,014	172,571	1,642,194
Transformation facilities	87,892	89,325	853,984
Distribution facilities	150,873	151,783	1,465,931
General facilities	32,916	31,307	319,824
Other	6,990	7,695	67,922
Other noncurrent assets (Note 6)	28,029	29,075	272,344
Construction in progress	34,954	34,774	339,629
Construction and retirement in progress	34,954	34,774	339,629
Nuclear fuel	99,844	96,994	970,118
Loaded nuclear fuel	26,219	26,219	254,756
Nuclear fuel in processing	73,625	70,775	715,362
Investments and other assets	133,860	128,098	1,300,628
Long-term investments	62,467	61,620	606,951
Fund for reprocessing of irradiated nuclear fuel	13,312	17,231	129,343
Asset for retirement benefits	9,414	—	91,471
Deferred tax assets	36,144	37,221	351,188
Other (Note 6)	12,578	12,087	122,212
Allowance for doubtful accounts	(55)	(61)	(538)
Current assets	279,797	212,311	2,718,588
Cash and deposits	184,664	116,340	1,794,251
Notes and accounts receivable-trade	42,697	37,974	414,860
Inventories (Note 6)	24,377	28,636	236,863
Deferred tax assets	7,590	8,574	73,751
Other	20,634	20,950	200,492
Allowance for doubtful accounts	(167)	(163)	(1,631)
Total	¥1,440,151	¥1,395,976	\$13,992,926

	Millions of yen	Millions of yen	Thousands of U.S. dollars
LIABILITIES AND NET ASSETS	2014	2013	2014
Noncurrent liabilities	¥892,347	¥863,234	\$8,670,298
Bonds payable (Note 6)	438,639	438,627	4,261,945
Long-term loans payable (Note 6)	332,065	288,856	3,226,441
Provision for retirement benefits	—	27,816	—
Liability for retirement benefits	28,908	—	280,881
Provision for reprocessing of irradiated nuclear fuel	14,069	17,989	136,699
Provision for reprocessing of irradiated nuclear fuel without specific plans	5,646	5,429	54,865
Asset retirement obligations	54,024	67,654	524,920
Other	18,993	16,861	184,544
Current liabilities	209,005	191,795	2,030,753
Current portion of long-term debt (Note 6)	100,929	87,423	980,655
Short-term loans payable	15,823	15,821	153,743
Notes and accounts payable-trade	25,288	24,908	245,712
Accrued income taxes and other	7,799	8,183	75,785
Other	59,164	55,458	574,855
Reserves under the special laws	13,985	9,896	135,885
Reserve for fluctuation in water levels	13,985	9,896	135,885
Total liabilities	1,115,337	1,064,927	10,836,937
Shareholders' equity	317,092	325,031	3,080,957
Common stock	117,641	117,641	1,143,038
Capital surplus	33,993	33,993	330,288
Retained earnings	168,754	176,681	1,639,671
Treasury stock, at cost	(3,297)	(3,284)	(32,040)
Accumulated other comprehensive income	7,705	6,017	74,871
Net unrealized gain on securities	6,627	6,017	64,394
Retirement benefits liability adjustment	1,078	—	10,477
Minority interests	16	—	160
Total net assets	324,814	331,049	3,155,989
Total	¥1,440,151	¥1,395,976	\$13,992,926

Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Net Assets

Consolidated Statements of Operations

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Operating revenue	¥509,638	¥492,487	\$4,951,790
Electricity:	493,298	477,115	4,793,029
Other:	16,339	15,371	158,760
Operating expenses (Note 7)	489,782	480,729	4,758,865
Electricity: (Note 7)	476,778	468,225	4,632,518
Other:	13,003	12,503	126,347
Operating income	19,855	11,758	192,924
Other income	3,733	3,130	36,275
Dividends income	678	710	6,591
Interest income	631	516	6,134
Equity in earnings of affiliates	686	520	6,665
Other	1,737	1,383	16,883
Other expenses	13,692	13,175	133,041
Interest expenses	12,769	12,268	124,070
Other	923	907	8,970
Total ordinary revenue	513,371	495,618	4,988,065
Total ordinary expenses	503,474	493,904	4,891,906
Ordinary income	9,896	1,713	96,159
Provision or reversal of reserve for fluctuation in water levels	4,088	(731)	39,727
Provision of reserve for fluctuation in water levels	4,088	—	39,727
Reversal of reserve for fluctuation in water levels	—	(731)	—
Income before income taxes and minority interests	5,807	2,444	56,431
Income taxes-current	1,966	2,412	19,108
Income taxes-deferred	1,310	(65)	12,734
Total income taxes	3,277	2,346	31,842
Income before minority interests	2,530	98	24,588
Minority interests	14	—	136
Net income	¥2,516	¥98	\$24,452

Consolidated Statements of Comprehensive Income

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Income before minority interests	¥2,530	¥98	\$24,588
Other comprehensive income			
Net unrealized gain on securities	583	1,881	5,674
Share of other comprehensive income of affiliates accounted for under the equity method	28	14	279
Total other comprehensive income (Note 8)	612	1,895	5,953
Comprehensive income	¥3,143	¥1,994	\$30,542
Comprehensive income attributable to			
Shareholders of the parent	3,126	1,994	30,382
Minority interests	16	—	160

	Number of shares of common stock	Shareholders' equity					Accumulated other comprehensive income			Minority interests	Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on securities	Retirement benefits liability adjustment	Total accumulated other comprehensive income		
BALANCE AS OF APRIL 1, 2012	210,333,694	¥117,641	¥33,993	¥187,026	¥(3,279)	¥335,382	¥4,121	¥—	¥4,121	¥—	¥339,503
Cash dividends paid	—	—	—	(10,441)	—	(10,441)	—	—	—	—	(10,441)
Net income	—	—	—	98	—	98	—	—	—	—	98
Purchase of treasury stock	—	—	—	—	(8)	(8)	—	—	—	—	(8)
Disposal of treasury stock	—	—	—	(1)	3	1	—	—	—	—	1
Net changes of items other than shareholders' equity	—	—	—	—	—	—	1,895	—	1,895	—	1,895
Total changes of items during the year	—	—	—	(10,345)	(4)	(10,350)	1,895	—	1,895	—	(8,454)
BALANCE AS OF APRIL 1, 2013	210,333,694	117,641	33,993	176,681	(3,284)	325,031	6,017	—	6,017	—	331,049
Cash dividends paid	—	—	—	(10,441)	—	(10,441)	—	—	—	—	(10,441)
Net income	—	—	—	2,516	—	2,516	—	—	—	—	2,516
Purchase of treasury stock	—	—	—	—	(16)	(16)	—	—	—	—	(16)
Disposal of treasury stock	—	—	—	(1)	3	2	—	—	—	—	2
Net changes of items other than shareholders' equity	—	—	—	—	—	—	610	1,078	1,688	16	1,705
Total changes of items during the year	—	—	—	(7,926)	(13)	(7,939)	610	1,078	1,688	16	(6,234)
BALANCE AS OF MARCH 31, 2014	210,333,694	¥117,641	¥33,993	¥168,754	¥(3,297)	¥317,092	¥6,627	¥1,078	¥7,705	¥16	¥324,814

	Shareholders' equity					Accumulated other comprehensive income			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on securities	Retirement benefits liability adjustment	Total accumulated other comprehensive income		
BALANCE AS OF APRIL 1, 2013	\$1,143,038	\$330,288	\$1,716,684	\$(31,909)	\$3,158,101	\$58,464	\$—	\$58,464	\$—	\$3,216,566
Cash dividends paid	—	—	(101,453)	—	(101,453)	—	—	—	—	(101,453)
Net income	—	—	24,452	—	24,452	—	—	—	—	24,452
Purchase of treasury stock	—	—	—	(162)	(162)	—	—	—	—	(162)
Disposal of treasury stock	—	—	(11)	31	20	—	—	—	—	20
Net changes of items other than shareholders' equity	—	—	—	—	—	5,929	10,477	16,406	160	16,566
Total changes of items during the period	—	—	(77,012)	(130)	(77,143)	5,929	10,477	16,406	160	(60,576)
BALANCE AS OF MARCH 31, 2014	\$1,143,038	\$330,288	\$1,639,671	\$(32,040)	\$3,080,957	\$64,394	\$10,477	\$74,871	\$160	\$3,155,989

Consolidated Statements of Cash Flows

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥5,807	¥2,444	\$56,431
Depreciation and amortization	70,844	74,929	688,342
Impairment losses on noncurrent assets	23	131	231
Decommissioning costs of nuclear power units	1,258	309	12,227
Loss on disposal of property, plant and equipment	1,933	1,824	18,783
Amortization of nuclear fuel in processing	1,156	1,156	11,238
Decrease (increase) in fund for reprocessing of irradiated nuclear fuel	3,919	3,805	38,078
Increase (decrease) in provision for retirement benefits	—	(3,730)	—
Increase(decrease) in liability for retirement benefits	(388)	—	(3,773)
Decrease(increase) in asset for retirement benefits	(6,377)	—	(61,965)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(3,920)	(3,745)	(38,094)
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel without specific plans	217	208	2,110
Increase (decrease) in reserve for fluctuation in water levels	4,088	(731)	39,727
Interest and dividends income	(1,309)	(1,226)	(12,725)
Interest expense	12,769	12,268	124,070
Decrease (increase) in notes and accounts receivable-trade	(4,722)	(1,482)	(45,885)
Decrease (increase) in inventories	4,258	(1,407)	41,372
Increase (decrease) in notes and accounts payable-trade	396	4,652	3,853
Increase (decrease) in accrued enterprise taxes and accrued consumption taxes	413	(17)	4,017
Other, net	4,216	9,425	40,966
Subtotal	94,584	98,816	919,007
Interest and cash dividends received	1,404	1,287	13,650
Interest expenses paid	(12,741)	(12,382)	(123,798)
Income taxes paid	(2,818)	(3,507)	(27,386)
Income taxes refund	1,196	2,291	11,629
Net cash provided by operating activities	81,626	86,505	793,102
Cash flows from investing activities			
Purchase of property, plant and equipment	(61,546)	(62,221)	(598,006)
Proceeds from contribution received for construction	1,046	378	10,164
Proceeds from sales of property, plant and equipment	309	28	3,008
Increase in long-term investments	(19,277)	(21,237)	(187,306)
Proceeds from long-term investments	19,463	21,308	189,116
Net cash used in investing activities	(60,004)	(61,743)	(583,023)
Cash flows from financing activities			
Proceeds from issuance of bonds	70,000	50,000	680,139
Redemption of bonds	(40,000)	(45,000)	(388,651)
Proceeds from long-term loans payable	70,000	60,000	680,139
Repayment of long-term loans payable	(43,134)	(41,223)	(419,103)
Net increase (decrease) in short-term loans payable	304	484	2,955
Net increase (decrease) in commercial papers	—	(15,000)	—
Proceeds from sales of treasury stock	2	1	20
Purchase of treasury stock	(16)	(8)	(162)
Cash dividends paid	(10,440)	(10,425)	(101,444)
Other, net	(11)	(12)	(113)
Net cash provided by (used in) financing activities	46,702	(1,183)	453,779
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net increase (decrease) in cash and cash equivalents	68,324	23,578	663,858
Cash and cash equivalents at beginning of the year	116,340	92,749	1,130,393
Increase due to merger with unconsolidated subsidiaries	—	11	—
Cash and cash equivalents at end of the year (Note 10)	¥184,664	¥116,340	\$1,794,251

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 (collectively, the "Group") 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.

The closing date of the subsidiaries is same as that of the Company.

(c) Investment 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, 2014.

(d) Derivatives

Derivative financial instruments are stated at fair value.

(e) 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.

(f) Depreciation and amortization of significant long-term assets

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. Allocation method for capitalized asset retirement cost related to decommissioning of specified nuclear power units, is described in the section (o).

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

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

(g) Allowance for doubtful accounts

The Group provide the allowance for doubtful accounts based on the historical ratio of actual credit losses to the total receivables and the amount of uncollectible receivables estimated on an individual basis.

(h) Provision for reprocessing of irradiated nuclear fuel

The provision is reserved for reprocessing costs of irradiated nuclear fuel resulting from operation of nuclear power production facilities. The provision is stated at present value of the amount that would be required to reprocess with specific plans the irradiated nuclear fuel incurred in proportion to combustion of nuclear fuel using 1.5% (1.6%, for FY2013) of discount rate.

Transition obligations of ¥12,653 million resulting from the change in the accounting standard to estimate the reprocessing cost of irradiated nuclear fuel applicable from April 1, 2005 had been recognized over 15 years as operating expense from the fiscal year ended March 31, 2006. Due to revision of the act related to reserve for reprocessing of irradiated fuel in 2008, the revised transition obligations of ¥9,752 million has been amortized over a 12 years from April 1, 2008 by straight-line method. Outstanding transition obligation as of March 31, 2014 was ¥4,876 million (\$47,379 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, 2014 and 2013 were loss of ¥1,977 million (\$19,209 thousand) and loss of ¥1,458 million, respectively.

(i) Provision for reprocessing of irradiated nuclear fuel without specific plans

Provision 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%).

(j) 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 subsidiaries are required to provide a reserve for fluctuation in water levels under the Electricity Business Act.

(k) Accounting procedures for retirement benefits

The retirement benefit obligation for employees is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Prior service cost is being amortized as incurred by the straight-line method over the period (10 years), which are shorter than the average remaining years of service of the employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods (mainly 3 years), which are shorter than the average remaining years of service of the employees. (Accounting change)

The Company adopted "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012) (except for certain provisions described in the main clause of Section 35 of the standard and in the main clause of Section 67 of the guidance) as of the end of the fiscal year ended March 31, 2014. These accounting standards require entities to apply a revised method for recording the retirement benefit obligation, after deducting pension plan assets, as a liability for retirement benefits. In addition, unrecognized actuarial differences and unrecognized prior service costs are recorded as a liability for retirement benefits. Concerning the application of the Accounting Standard for Retirement Benefits, based on the provisional treatment set out in Clause 37 of the standard, the effects of such changes in the current fiscal years have been recorded in retirement benefits liability adjustments through accumulated other comprehensive income. As a result of this change, an asset for retirement benefits and a liability for retirement benefits were recognized in the amount of ¥3,036 million (\$29,505 thousand) and ¥1,480 million (\$14,382 thousand), respectively. In addition, accumulated other comprehensive income increased by ¥1,078 million (\$10,477 thousand) as of March 31, 2014. Net assets per share decreased by ¥5.16 (\$0.05).

(l) Important hedge accounting method

(1) Hedge accounting method

Forward foreign exchange contracts which meet certain criteria are accounted for by the allocation method which requires that recognized foreign currency payables be translated at corresponding contract rates.

(2) Hedging instruments and hedged items

Hedging instruments Forward foreign exchange contracts

Hedged items Part of payables denominated in foreign currency

(3) Hedge policy

For the purpose of avoiding the risk of fluctuations in foreign exchange rates and others or reducing fund raising costs, we make use of derivative transactions for those debts that are caused by our normal operations, in accordance with our internal rules on derivative transactions.

(4) Method of evaluating hedge effectiveness

As hedging is considered being highly effective, evaluation of its effectiveness is omitted.

(m) Goodwill

Amortization of goodwill is computed by the straight-line method over the estimated useful life. In case the amount is immaterial, goodwill is recognized in profit and loss immediately.

(n) Cash and cash equivalents

All highly liquid investments with a maturity 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 in the consolidated statement of cash flows.

(o) Allocation method for capitalized asset retirement cost related to decommissioning of specified nuclear power units.

Based on Section 8 of the "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued on March 31, 2008) and the provisions of the "Ministerial Ordinance of Funds Reserved for Decommissioning Costs of Nuclear Power Units" (Ordinance by METI No. 30 of 1989), total estimated asset retirement costs related to decommissioning of specified nuclear power units are allocated to expense by the straight-line method over the expected operation period and planned period for safe storage. (Changes in allocation method for capitalized asset retirement cost)

Based on Section 8 of the "Guidance on Accounting Standard for Asset Retirement Obligations" and the rules of the "Ministerial Ordinance for Reserve for Decommissioning Costs of Nuclear Power Units," capitalized asset retirement cost related to decommissioning of specified nuclear power units had been allocated to expense over the anticipated operation period in proportion to the actual volume of electricity generated by the nuclear power. However, as "Ministerial Ordinance for Reserve for Decommissioning Costs of Nuclear Power Units" was revised after enforcement of "Ordinance for Partial Revision on Accounting Rules Applicable to Electric Utility Companies in Japan" (Ordinance by METI No. 52 of 2013) on October 1, 2013, allocation method has been changed to the straight-line method over the period which includes the planned period for safe storage in addition to the expected operation period. As this is the change of allocation method for capitalized costs and therefore it is difficult to distinguish between a change in an accounting policy and a change in an accounting estimate, it is not accounted for retroactively.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests each decreased by ¥1,800 million (\$17,497 thousand). In addition, nuclear power production facilities and asset retirement obligations each decreased by ¥13,793 million (\$134,025 thousand).

(p) Accounting for the consumption tax

National and local consumption taxes are accounted for using the tax-excluded method.

2. Accounting Standards Issued but Not yet Adopted

1) Accounting Standards for Retirement Benefits

• "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, issued on May 17, 2012)

• "Guidance on Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, issued on May 17, 2012)

(1) Outline

As for the allocation method of estimated retirement benefits, new standard allows to apply a benefit formula in addition to straight-line method. In addition, the calculation method of discount rates has also been revised.

(2) Application date

The Group plans to apply these accounting standards from the beginning of the fiscal year ending March 31, 2015.

(3) Impact of adoption of the accounting standard and related guidance

Due to the effect of the change, retained earnings will increase by ¥3,067 million (\$29,802 thousand) at the beginning of the next fiscal year. In addition, operating income, ordinary income and income before income taxes and minority interests in the next fiscal year will each decrease by ¥204 million (\$1,986 thousand).

2) Accounting standards for business combination.

• "Accounting Standards for Business Combination" (Accounting Standards Board of Japan Statement No. 21, issued on September 13, 2013)

• "Guidance on Accounting Standards for Business Combination and Business Separation" (Accounting Standards Board of Japan Guidance No. 10, issued on September 13, 2013)

• "Accounting Standards for Consolidated Financial Statements" (Accounting Standards Board of Japan Statement No. 22, issued on September 13, 2013)

(1) Outline

The accounting standards and others were revised mainly concerning: ① accounting treatment for any changes in the parent's ownership in a subsidiary due to additional acquisition etc. when the parent company retains control over the subsidiary; ② accounting treatment for acquisition-related costs; ③ accounting treatment for tentative accounting processes; and ④ change in the presentation method of current net income and the reference to "minority interests" was changed to "non-controlling interest."

(2) Application date

The group plans to apply the above-mentioned accounting standards and guidance from the beginning of the fiscal year ending March 31, 2016.

(3) Impact of adoption of the accounting standard and related guidance

The effects of application of these standards on the consolidated financial statements are yet unknown.

(Additional information)

Change in accounting rules on the electricity business concerning nuclear power generation facilities

The "Ministerial Ordinance for Partial Revision of the Accounting Rules on the Electricity Business" (Ordinance of METI No. 52 of 2013) (hereinafter referred to as "Ministerial Ordinance for Revision") was enforced and the "Accounting Standards for the Electricity Business" (hereinafter, the "Standard") was revised on October 1, 2013. As a result, it is determined that nuclear power plant facilities defined in the Standard include the fixed assets which is necessary for decommissioning of nuclear reactors as well as the fixed assets for which maintenance is required after the shutdown of nuclear reactor. This change is not applied retroactively in accordance with the provisions prescribed by the revised Ministerial Ordinance.

This change does not affect the consolidated financial statements as of March 31, 2014.

3. U.S. Dollar Amounts

The accompanying consolidated financial statements are expressed in yen, and solely for the convenience of the reader, have been translated into U.S. dollars at the rate of ¥102.92 = U.S.\$1, the approximate rate of exchange prevailing at March 31, 2014. 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. Notes to Consolidated Balance Sheets

(a) Reduction entry of property, plant and equipment

Reduction entries of property, plant and equipment as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Contributions in aid of construction	¥66,361	¥65,935	\$644,790

(b) Accumulated depreciation of property, plant and equipment

Accumulated depreciations of property, plant and equipment as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
	¥2,442,080	¥2,392,285	\$23,727,949

(c) Investments in unconsolidated subsidiaries and affiliates included in "Other" of Investments and other assets

Investments of unconsolidated subsidiaries and affiliates included in "Other" of Investments and other assets as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
	¥10,925	¥10,220	\$106,157

(d) Pledged assets and secured liabilities

All assets of the Company are subject to certain statutory preferential rights established to secure the following bonds and loans from the Development Bank of Japan Incorporated:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Hokuriku Electric Power Company			
Bonds	¥508,675	¥478,675	\$4,942,431
Loans from the Development Bank of Japan Incorporated	45,835	54,045	445,351
Recourse obligation under debt assumption agreements	72,170	72,170	701,224

Additionally, following property, plant and equipment of consolidated subsidiaries are pledged as collateral for the following loans:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Consolidated subsidiaries			
Pledged assets:			
Property, plant and equipment for electric utility	¥8,368	¥8,790	\$81,307
Other noncurrent assets	6,580	6,805	63,942
Secured liabilities			
Long-term loans	3,494	4,102	33,949

(e) Inventories

Inventories as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Merchandise and finished goods	¥200	¥192	\$1,949
Work in process	574	513	5,583
Raw materials and supplies	23,602	27,929	229,330
Total	¥24,377	¥28,636	\$236,863

(f) Contingent liabilities

Contingent liabilities as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Guarantees of loans of following companies and other			
Japan Nuclear Fuel Ltd.	¥37,212	¥37,134	\$361,563
The Japan Atomic Power Company	17,492	17,492	169,965
Power and IT Company	1,300	1,300	12,631
Guarantees of housing and welfare loans of the Companies' employees	14,346	15,124	139,393
Total	¥70,351	¥71,051	\$683,553

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Guarantees of the corporate bonds of following company			
Japan Nuclear Fuel Ltd.	¥1,414	¥1,414	\$13,738

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Guarantee commitment of loans of following company			
Nuclear Fuel Transport Co., Ltd.	¥—	¥2	\$—

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014

Recourse obligation under debt assumption agreement of following corporate bonds (*)			
The 245th domestic straight bonds of Hokuriku Electric Power Company	¥29,670	¥29,670	\$288,282
The 248th domestic straight bonds of Hokuriku Electric Power Company	22,500	22,500	218,616
The 250th domestic straight bonds of Hokuriku Electric Power Company	20,000	20,000	194,325
Total	¥72,170	¥72,170	\$701,224

(*) Recourse obligation by underwriter			
Mizuho Bank, Ltd.	¥62,170	¥62,170	\$604,061
The Bank of Tokyo-Mitsubishi U.F.J., Ltd.	10,000	10,000	97,162

5. Notes to Consolidated Statements of Operations

(a) Provision

Retirement benefit expense and provision included in the consolidated statement of operations for the fiscal year March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Retirement benefit expenses	¥1,420	¥—	\$13,803
Provision for retirement benefits	—	3,622	—
Provision for reprocessing of irradiated nuclear fuel	1,088	1,203	10,576
Provision for preparation of the reprocessing of irradiated nuclear fuel without specific plans	217	208	2,110

(b) Operating Expenses

Details of operating expenses in the electric power business for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	
Operating expenses in the electric power business			
Personnel	¥44,646	¥16,867	
(Retirement benefit expense)	616	616	
Fuel	151,615	—	
Maintenance	53,095	1,004	
Depreciation	67,754	2,929	
Purchased electric power	54,348	—	
Other	109,142	21,647	
Subtotal	480,602	42,449	
Intercompany elimination	(3,823)	—	
Total	¥476,778	¥—	

	Millions of yen		Thousands of U.S. dollars
	2013	2012	
Operating expenses in the electric power business			
Personnel	¥49,679	¥22,380	
(Provision for retirement benefits)	3,085	3,085	
Fuel	138,425	—	
Maintenance	59,425	955	
Depreciation	71,828	2,965	
Purchased electric power	47,844	—	
Other	104,619	23,012	
Subtotal	471,822	49,312	
Intercompany elimination	(3,597)	—	
Total	¥468,225	¥—	

	Thousands of U.S. dollars	
	2014	2013
Operating expenses in the electric power business		
Personnel	\$433,797	\$163,890
(Retirement benefit expense)	5,989	5,989
Fuel	1,473,135	—
Maintenance	515,895	9,762
Depreciation	658,320	28,459
Purchased electric power	528,061	—
Other	1,060,456	210,334
Subtotal	4,669,667	412,448
Intercompany elimination	(37,149)	—
Total	\$4,632,518	\$—

(c) Research and Development Expenses

Total Research and Development Expenses included in the consolidated statements of operations for the fiscal years ended March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Research and Development Expenses	¥1,388	¥1,929	\$13,490

6. Other Comprehensive Income

The component of other comprehensive income for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	
Net unrealized gain on securities			
Amount arising during the year	¥855	¥2,685	\$8,315
Reclassification adjustment	—	40	—
Before tax effect	855	2,725	8,315
Tax effect	(271)	(844)	(2,641)
Net unrealized gain on securities	583	1,881	5,674
Share of other comprehensive income of affiliates accounted for under the equity method:			
Amount arising during the year	¥34	¥5	\$335
Reclassification adjustments	(5)	9	(55)
Share of other comprehensive income of affiliates accounted for under the equity method	28	14	279
Total of other comprehensive income	¥612	¥1,895	\$5,953

7. Stock Issued and Treasury Stock

(1) Changes in number of stock issued and treasury stock

Changes in number of stock issued and treasury stock for the years ended March 31, 2014 and 2013 were as follows:

	Thousands of shares	
	2014	2013
Stock issued		
Beginning of the year	¥210,334	¥210,334
End of the year	210,334	210,334
Treasury stock		
Beginning of the year	1,499	1,493
Increase due to purchasing fractional shares	12	8
Decrease due to selling fractional shares	2	2
End of the year	1,510	1,499

(2) Dividends

(1) Dividends paid

For the year ended March 31, 2014

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
Annual general meeting of the shareholders on June 26, 2013	Common stock	¥5,220	\$50,727	¥25	\$0.24	March 31, 2013	June 27, 2013
Meeting of the Board of Directors on October 30, 2013	Common stock	¥5,220	\$50,726	¥25	\$0.24	September 30, 2013	November 29, 2013

For the year ended March 31, 2013

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 27, 2012	Common stock	¥5,221	¥25	March 31, 2012	June 28, 2012
Meeting of the Board of Directors on October 30, 2012	Common stock	¥5,220	¥25	September 30, 2012	November 30, 2012

(2) Dividends with the cut-off date in the year ended March 31, 2014 and the effective date in the year ending March 31, 2015

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 26, 2014	Common stock	¥5,220	\$50,724	Retained earnings	¥25	\$0.24	March 31, 2014	June 27, 2014

Dividends with the cut-off date in the year ended March 31, 2013 and the effective date in the year ending March 31, 2014

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 26, 2013	Common stock	¥5,220	Retained earnings	¥25	March 31, 2013	June 27, 2013

8. Supplementary Cash Flow Information

A reconciliation between cash and cash equivalents in the consolidated statements of cash flows and corresponding balance sheet items as of March 31, 2014 and 2013 were as follows:

	Millions of yen 2014	Millions of yen 2013	Thousands of U.S. dollars 2014
Cash and deposits	¥184,664	¥116,340	\$1,794,251
Cash and cash equivalents	¥184,664	¥116,340	\$1,794,251

9. Leases

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.

Lessee

Lease payments under finance leases accounted for as operating leases in the accompanying consolidated financial statements totaled ¥1 million and nil, which were equal to the depreciation of the leased assets computed by the straight-line method over the lease term, for the year ended March 31, 2013 and 2014, respectively.

10. Financial Instruments

Overview

(1) Policy for financial instruments

In consideration of plans for capital investment for the electricity business, the Group raise funds through corporate bonds and loans from bank. 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 bonds payable and long-term loans payable, 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 and cash deposits 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. In addition, 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.

Fair value of financial instruments

Carrying amount of financial instruments on the consolidated balance sheet and respective fair value as of March 31, 2014 and 2013 are shown in the following table. The following table does not include financial instruments whose fair values are not readily determinable (please refer to Note 2 below).

Millions of yen			
As of March 31, 2014	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	¥15,739	¥15,739	¥—
② Fund for reprocessing of irradiated nuclear fuel	13,312	13,312	—
③ Cash and deposits	184,664	184,664	—
④ Notes and accounts receivable-trade	42,697	42,697	—
⑤ Bonds payable (*)	508,639	526,931	18,291
⑥ Long-term loans payable (*)	358,856	373,960	15,103
⑦ Short-term loans payable	15,823	15,823	—
⑧ Notes and accounts payable-trade	25,288	25,288	—

Millions of yen			
As of March 31, 2013	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	¥14,884	¥14,884	¥—
② Fund for reprocessing of irradiated nuclear fuel	17,231	17,231	—
③ Cash and deposits	116,340	116,340	—
④ Notes and accounts receivable-trade	37,974	37,974	—
⑤ Bonds payable (*)	478,627	497,692	19,065
⑥ Long-term loans payable (*)	331,990	344,712	12,721
⑦ Short-term loans payable	15,821	15,821	—
⑧ Notes and accounts payable-trade	24,908	24,908	—

Thousands of U.S. dollars			
As of March 31, 2014	Carrying amount	Fair value	Difference
Assets			
① Long-term investments (other securities)	\$152,933	\$152,933	\$—
② Fund for reprocessing of irradiated nuclear fuel	129,343	129,343	—
③ Cash and deposits	1,794,251	1,794,251	—
④ Notes and accounts receivable-trade	414,860	414,860	—
⑤ Bonds payable (*)	4,942,085	5,119,815	177,730
⑥ Long-term loans payable (*)	3,486,752	3,633,506	146,753
⑦ Short-term loans payable	153,743	153,743	—
⑧ Notes and accounts payable-trade	245,712	245,712	—

(*) Current portion of bonds payable and long-term loans payable is included in bonds payable and long-term loans payable.

(Note 1)

Methods for estimating 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 "11. Investment 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 amount of the fund is based on the present value determined by redemption schedule of the plan.

③ Cash and deposits and ④ Notes and accounts receivable-trade

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

⑤ Bonds payable

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 loans payable

The fair value of long-term loans payable 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 loans payable and ⑧ Notes and accounts payable-trade

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

(Note 2)

Financial instruments whose fair values are not readily determinable

	Millions of yen 2014	Millions of yen 2013	Thousands of U.S. dollars 2014
Carrying amount	¥40,970	¥40,944	\$398,077
Unlisted stocks	637	637	6,196
Investment securities	6	7	67
Other	—	—	—
Total	¥41,614	¥41,589	\$404,341

Because no quoted market price is available and their fair values are not readily determinable, the above financial instruments are not included in the preceding table.

(Note 3)

Redemption schedule for receivables

Millions of yen		
As of March 31, 2014	Within one year	Due after one year
Fund for reprocessing of irradiated nuclear fuel (*)	¥4,840	¥—
Cash and deposits	184,664	—
Notes and accounts receivable-trade	42,697	—
Total	¥232,201	¥—

Millions of yen		
As of March 31, 2013	Within one year	2015 and thereafter
Fund for reprocessing of irradiated nuclear fuel (*)	¥4,989	¥—
Cash and deposits	116,340	—
Trade notes and accounts receivable	37,974	—
Total	¥159,304	¥—

Thousands of U.S. dollars		
As of March 31, 2014	Within one year	Due after one year
Fund for reprocessing of irradiated nuclear fuel (*)	\$47,028	\$—
Cash and deposits	1,794,251	—
Notes and accounts receivable-trade	414,860	—
Total	\$2,256,140	\$—

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

(Note 4)

The aggregate annual maturities of bonds, long-term loans, and other interest-bearing liabilities subsequent to March 31, 2014 and 2013 were summarized as follows:

Millions of yen			
As of March 31, 2014	Bonds payable	Long-term loans payable	Short-term loans payable
2015	¥70,000	¥26,791	¥15,823
2016	60,000	24,421	—
2017	50,475	37,516	—
2018	58,200	32,548	—
2019	90,000	30,598	—
2020 and thereafter	180,000	206,981	—

Millions of yen			
As of March 31, 2013	Bonds payable	Long-term loans payable	Short-term loans payable
2014	¥40,000	¥43,134	¥15,821
2015	70,000	26,791	—
2016	60,000	24,421	—
2017	50,475	37,516	—
2018	48,200	23,546	—
2019 and thereafter	210,000	176,581	—

Thousands of U.S. dollars			
As of March 31, 2014	Bonds payable	Long-term loans payable	Short-term loans payable
2015	\$680,139	\$260,311	\$153,743
2016	582,977	237,281	—
2017	490,429	364,516	—
2018	565,487	316,253	—
2019	874,465	297,301	—
2020 and thereafter	1,748,931	2,011,088	—

11. Investment Securities

(1) Information of other securities

Information on investment securities for which fair value is available as of March 31, 2014 and 2013 was as follows:

Millions of yen			
As of March 31, 2014	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	¥5,946	¥15,438	¥9,492
Unrealized loss			
Stock	304	300	(3)
Total	¥6,251	¥15,739	¥9,488

Millions of yen			
As of March 31, 2013	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	¥6,241	¥14,874	¥8,633
Unrealized loss			
Stock	9	9	(0)
Total	¥6,251	¥14,884	¥8,633

Thousands of U.S. dollars			
As of March 31, 2014	Acquisition cost	Fair value	Unrealized gain (loss)
Unrealized gain			
Stock	\$57,780	\$150,009	\$92,228
Unrealized loss			
Stock	2,955	2,924	(31)
Total	\$60,736	\$152,933	\$92,196

(Note)

Non-marketable securities (the amount of ¥41,614 million (\$404,341 thousand) and ¥41,589 million in the consolidated balance sheets as of March 31, 2014 and 2013, respectively) are not included in the table above because their fair values are not readily determinable.

(2) Other securities sold during the year

	Millions of yen		Thousands of U.S. dollars	
	2014	2013	2014	2013
Sales proceeds	¥103	¥—	\$1,001	—
Realized gains	56	—	552	—
Realized losses	¥1	¥—	\$13	—

(3) Impairment loss on other securities

	Millions of yen		Thousands of U.S. dollars	
	2014	2013	2014	2013
For the year ending March 31	2014	2013	2014	2013
Stock	¥—	¥51	\$—	\$—

12. Derivatives

Since derivative transactions were not significant, relating disclosure is omitted for the years ended March 31, 2014 and 2013.

13. Employees' Retirement Benefits

For the ended March 31, 2014

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.

Most subsidiaries adopt a short-cut method in computing projected benefit obligation.

The funded status of retirement benefit obligations as of March 31, 2014 is summarized as follows:

1. Defined benefit plan

The changes in the retirement benefit obligation during the year ended March 31, 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2014	2014	2014	2014
Retirement benefit obligation at April 1, 2013	¥87,021	\$845,529	87,021	845,529
Service cost	3,479	33,803	3,479	33,803
Interest cost	1,689	16,414	1,689	16,414
Actuarial loss	7,822	76,006	7,822	76,006
Retirement benefit paid	(3,692)	(35,880)	(3,692)	(35,880)
Retirement benefit obligation at March 31, 2014	¥96,320	\$935,874	96,320	935,874

The changes in plan assets during the year ended March 31, 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2014	2014	2014	2014
Plan assets at April 1, 2013	¥68,346	\$664,070	68,346	664,070
Expected return on plan assets	1,366	13,281	1,366	13,281
Actuarial loss	5,060	49,168	5,060	49,168
Contributions by the Company	3,154	30,653	3,154	30,653
Retirement benefits paid	(1,102)	(10,710)	(1,102)	(10,710)
Plan assets at March 31, 2014	¥76,826	\$746,463	76,826	746,463

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2014 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars	
	2014	2014	2014	2014
Funded retirement benefit obligation	¥67,411	\$654,992	67,411	654,992
Plan assets at fair value	(76,826)	(746,463)	(76,826)	(746,463)
Unfunded retirement benefit obligation	¥28,908	\$280,881	28,908	280,881
Net liability for retirement benefits in the balance sheet	¥19,494	\$189,410	19,494	189,410
Liability for retirement benefits	¥28,908	\$280,881	28,908	280,881
Asset for retirement benefits	¥(9,414)	\$(91,471)	(9,414)	(91,471)
Net liability for retirement benefits in the balance sheet	¥19,494	\$189,410	19,494	189,410

The components of retirement benefit expense for the year ended March 31, 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2014	2014	2014	2014
Service cost	¥3,479	\$33,803	3,479	33,803
Interest cost	1,689	16,414	1,689	16,414
Expected return on plan assets	(1,366)	(13,281)	(1,366)	(13,281)
Amortization of actuarial loss	(3,511)	(34,122)	(3,511)	(34,122)
Amortization of prior service cost	(1,310)	(12,730)	(1,310)	(12,730)
Retirement benefit expense	¥(1,020)	\$(9,915)	(1,020)	(9,915)

In addition, additional retirement benefit expense of ¥1,688 million (\$16,408 thousand) was accounted for as an operating expense for the year ended March 31, 2014.

Unrecognized prior service cost and unrecognized actuarial loss included in accumulated other comprehensive income (before tax effect) as of March 31, 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2014	2014	2014	2014
Unrecognized prior service cost	¥(1,310)	\$(12,730)	(1,310)	(12,730)
Unrecognized actuarial gain or loss	(246)	(2,393)	(246)	(2,393)
Total	¥(1,556)	\$(15,123)	(1,556)	(15,123)

Fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2014 are as follows:

Stock	40%
Bonds	25%
General account of life insurance	33%
Others	2%
Total	100%

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumptions used in accounting for the above plans were as follows:

	2014
Discount rates	Mainly 1.5%
Expected rates of return on plan assets	2.0%

2. Defined contribution pension plan and prepaid retirement benefit plan

Contributions related to defined contribution pension plan were accounted ¥697 million (\$6,773 thousand) and the payments related to prepaid retirement benefit plan were accounted ¥55 million (\$536 thousand) for the year ended March 31, 2014.

For the year ended March 31, 2013

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.

Most subsidiaries adopt a short-cut method in computing projected benefit obligation.

The funded status of retirement benefit obligations as of March 31, 2013 is summarized as follows:

	Millions of yen	
	2013	2013
Projected benefit obligation	¥(87,021)	(87,021)
Fair value of pension plan assets	68,346	68,346
	(18,675)	(18,675)
Unrecognized actuarial gain or loss	(6,520)	(6,520)
Unrecognized prior service cost	(2,620)	(2,620)
Net amount recognized	(27,816)	(27,816)
Accrued employees' retirement benefits	¥(27,816)	(27,816)

The components of net pension and severance costs for the years ended March 31, 2013 are summarized as follows:

	Millions of yen	
	2013	2013
Service cost (Note 2)	¥3,482	3,482
Interest cost	1,660	1,660
Expected return on plan asset	(1,122)	(1,122)
Amortization of unrecognized actuarial gain or loss	912	912
Amortization of unrecognized prior service cost	(1,310)	(1,310)
Other (Note 3)	749	749
Pension and severance costs	¥4,371	4,371

(Note 1) In addition to pension and severance costs above, additional retirement benefits included in operating expenses for the years ended March 31, 2013 amounted to ¥1,787 million.

(Note 2) Service cost includes pension costs under short-cut method and contribution to welfare pension fund.

(Note 3) Other include ¥693 million as the installments of defined contribution pension plan, and ¥56 million for the prepayment plan for the years ended March 31, 2013.

The principal assumptions used for the year ended March 31, 2013 are summarized as follows:

	2013
Method of allocation of estimated retirement benefits	Equally over the period
Discount rate	Mainly 2.0%
Expected rate of return on plan assets	2.0%
Period for amortization of prior service cost (straight-line method)	10 years
Period for amortization of unrecognized actuarial differences (declining balance method)	3 years

14. Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Deferred tax assets:			
Depreciation	¥12,351	¥11,857	\$120,014
Asset retirement obligations	9,614	13,801	93,415
Liability for retirement benefits	9,244	—	89,823
Expenses of disposition of polychlorinated biphenyl wastes	4,890	3,371	47,513
Reserve for fluctuation in water levels	4,296	3,047	41,746
Deferred charges for tax purposes	2,766	2,884	26,876
Reserve for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel without specific plans	2,205	2,133	21,431
Elimination of unrealized intercompany profits	1,212	1,200	11,784
Accrued enterprise taxes	949	988	9,227
Provision for retirement benefits	—	8,957	—
Other	15,826	18,121	153,772
Gross deferred tax assets	63,358	66,364	615,606
Less: Valuation allowance	(6,072)	(5,609)	(59,003)
Total deferred tax assets	57,285	60,754	556,602
Deferred tax liabilities:			
Assets corresponding to asset retirement obligations	¥(7,753)	¥(12,327)	\$(75,334)
Net unrealized gain on securities	(2,899)	(2,627)	(28,172)
Asset for retirement benefits	(2,892)	—	(28,101)
Other	(6)	(3)	(59)
Total deferred tax liabilities	(13,551)	(14,958)	(131,668)
Net deferred tax assets	¥43,734	¥45,795	\$424,934

(Note)

The net deferred tax assets as of March 31, 2014 and 2013 are included in the following items of the consolidated balance sheets:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Deferred tax assets:			
Noncurrent assets - deferred tax assets	¥36,144	¥37,221	\$351,188
Current assets - deferred tax assets	7,590	8,574	73,751
Deferred tax liabilities:			
Current liabilities - others	¥(0)	¥(0)	\$(6)

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2014 and 2013 were summarized as follows:

	2014	2013
Statutory tax rate	33.3%	33.3%
Increase (decrease) in taxes resulting from:		
Decrease of deferred tax asset by changing the effective statutory tax rate	14.5	—
Valuation allowance	8.0	18.7
Statutory tax rate differences between the Company and consolidated subsidiaries	5.3	13.1
Non-deductible expenses for the tax purposes	2.3	6.0
Equity in earnings of affiliates	(3.9)	(7.1)
Influence of tax rate's differences	—	37.3
Other	(3.1)	(5.3)
Effective tax rate	56.4%	96.0%

Change in the amounts of deferred tax assets and liabilities due to change in the income tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 10 of 2014) was promulgated on March 31, 2014 and the Company is no longer subject to the Special Reconstruction Corporate Tax from the fiscal year on or after April 1, 2014.

As a result, deferred tax assets and liabilities as of March 31, 2014 are calculated based on the revised effective statutory tax rate, which would be applied in the fiscal year when the temporary differences are expected to be realized or settled.

Due to this change, deferred tax assets net of tax effect decreased by ¥836 million (\$8,129 thousand) and retirement benefit liability adjustments and income taxes-differed increased by ¥5 million (\$51 thousand) and ¥841 million (\$8,180 thousand), respectively.

15. Asset Retirement Obligations

(1) Overview

Asset retirement obligations are recognized for decommissioning of specific nuclear power units prescribed by the "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 METI No. 30 of 1989), the total estimate of decommission expense is recognized by the straight-line method over the expected operating period of nuclear power units and planned period for safe storage.

(2) Accounting method of the asset retirement obligations

Remaining years are determined by each unit at the period which includes the planned period for safe storage in addition to the expected operation period of nuclear power units after deducting the past operation period. Discount rate of 2.3% is used in the calculation.

Remaining years used to be determined at the period of expected operation after deducting the past operation period, however, which was changed to the period which includes the planned period for safe storage in addition to the expected operation period in accordance with the revision of the "Ministerial Ordinance on Funds Reserved for Decommissioning of Nuclear Power Units."

16. Segment Information

(1) Overview of reportable segment

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

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

(2) Accounting policies of each reportable segment

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

(3) Information about each reportable segment

	Millions of yen				
	2014				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	¥493,298	¥16,339	¥509,638	¥—	¥509,638
Inter-segment sales	626	31,291	31,918	(31,918)	—
Total operating revenue	493,925	47,631	541,556	(31,918)	509,638
Segment income	15,651	4,186	19,837	18	19,855
Segment assets	1,397,395	64,049	1,461,445	(21,293)	1,440,151
Depreciation and amortization	67,883	3,235	71,119	(275)	70,844
Capital expenditure	61,808	3,127	64,936	(299)	64,636

	Millions of yen				
	2013				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	¥477,115	¥15,371	¥492,487	¥—	¥492,487
Inter-segment sales	615	33,433	34,049	(34,049)	—
Total operating revenue	477,731	48,805	526,536	(34,049)	492,487
Segment income	7,539	4,357	11,897	(139)	11,758
Segment assets	1,352,929	65,273	1,418,202	(22,226)	1,395,976
Depreciation and amortization	71,842	3,367	75,209	(279)	74,929
Capital expenditure	63,823	3,648	67,472	(411)	67,060

	Thousands of U.S. dollars				
	2014				
	Electricity	Others (Note 1)	Total	Adjustment and elimination (Note 2)	Consolidated (Note 3)
Sales to customers	\$4,793,029	\$158,760	\$4,951,790	\$—	\$4,951,790
Inter-segment sales	6,090	304,036	310,127	(310,127)	—
Total operating revenue	4,799,120	462,796	5,261,917	(310,127)	4,951,790
Segment income	152,070	40,678	192,748	176	192,924
Segment assets	13,577,496	622,323	14,199,819	(206,893)	13,992,926
Depreciation and amortization	659,578	31,436	691,015	(2,672)	688,342
Capital expenditure	600,548	30,390	630,939	(2,910)	628,028

(3) Changes in asset retirement obligations

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2013	2014
Balance at beginning of the year	¥67,654	¥65,423	\$657,349
Net changes during the year	(13,629)	2,230	(132,429)
Balance at end of the year	¥54,024	¥67,654	\$524,920

(Note) Net changes during the year included the effect of the change in the allocation period for capitalized asset retirement cost in the amount of ¥13,793 million (\$134,025 thousand).

(Changes in allocation method for capitalized asset retirement cost)

Based on Section 8 of the "Guidance on Accounting Standard for Asset Retirement Obligations" and the rules of the "Ministerial Ordinance for Reserve for Decommissioning Costs of Nuclear Power Units," capitalized asset retirement costs related to decommissioning of specified nuclear power units had been allocated to expense over the anticipated operation period in proportion to the actual volume of electricity generated by the nuclear power. However, as the "Ministerial Ordinance for Reserve for Decommissioning Costs of Nuclear Power Units" was revised after enforcement of the "Ordinance for Partial Revision on Accounting Rules Applicable to Electric Utility Companies in Japan" (Ordinance by METI No. 52 of 2013) on October 1, 2013, allocation method has been changed to the straight-line method over the period which includes the planned period for safe storage in addition to the expected operation period. As this is the change of allocation method for capitalized costs and therefore it is difficult to distinguish between a change in an accounting policy and a change in an accounting estimate, it is not accounted for retroactively.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests each decreased by ¥1,800 million (\$17,497 thousand).

(Note 1)

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

(Note 2)

Adjustment and eliminations of "Segment income," "Segment assets," "Depreciation and amortization," and "Capital expenditure" are intersegment transaction eliminations.

(Note 3)

Segment income is adjusted to reflect operating income in the consolidated statement of operations.

(Relevant information)

(1) Information by product or service

As revenue from single product exceed 90% of revenue in the consolidated statements of operations, relating disclosure is omitted.

(2) Information by respective areas

Because there are no sales to overseas customers and no tangible fixed assets located overseas, relating disclosure is omitted.

(Information related to impairment loss on fixed assets by reportable segment)

Since this information is not significant, this disclosure is omitted.

(Information related to amortization of goodwill and amortized balance by reportable segment)

Since this information is not significant, this disclosure is omitted.

(Information related to gain on negative goodwill by reportable segment)

None applicable.

17. Related Party Transactions

Significant related party transactions of the Company for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
The Hokkoku Bank, Ltd.	2014	2013	2014
Transactions for the year ended March 31			
Borrowings	¥6,720	¥41,320	\$65,293
Payment of interest	82	343	801
Ending balance			
Long-term loans payable	¥26,500	¥26,500	\$257,481
Short-term loans payable	—	3,360	—
Other current liabilities	73	106	709

(Note)

Akira Miyama, who is a corporate auditor of the Company, retired from the Chairman of the Board of the Hokkoku Bank, Ltd. as of June 27, 2013 and therefore the Company has no related party relationship with The Hokkoku Bank, Ltd. since then. The above transactions show the amount during the period when the Company had related party relationship with The Hokkoku Bank, Ltd. Ending balance shows the amount at the time of retirement.

18. Amounts per Share

Basic 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.

Net assets and basic net income per share as of and for the years ended March 31, 2014 and 2013 were as follows:

	Yen	Yen	U.S. dollars
	2014	2013	2014
Net assets per share	¥1,555.37	¥1,585.22	\$15.11
Net income per share	¥12.05	¥0.47	\$0.11

(Note)

Since either the Company or its consolidated subsidiaries did not have potentially dilutive securities as of March 31, 2014 and 2013, diluted net income per share was not disclosed.

The bases of calculation for net income per share were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
For the years ended March 31	2014	2013	2014
Net income	¥2,516	¥98	\$24,452
Amounts not attributable to common stock	—	—	—
Net income attributable to common stock	2,516	98	24,452
Weighted average number of common stock during the year (thousands of shares)	208,830	208,838	

The bases of calculation for net assets per share were as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
As of March 31	2014	2013	2014
Net assets	¥324,814	¥331,049	\$3,155,989
Amounts deducted from net assets	16	—	160
(Minority interests)	(16)	(—)	(160)
Net assets attributable to common stock	324,797	331,049	3,155,829
Number of shares of common stock at the year end (thousand of shares)	208,824	208,835	



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, 2014, 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, 2014, 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.

Ernst & Young ShinNihon LLC

June 26, 2014
Toyama, Japan

A member firm of Ernst & Young Global Limited

Non-Consolidated Financial Statements

HOKURIKU ELECTRIC POWER COMPANY
As of March 31, 2014 and 2013

Non-Consolidated Balance Sheets

	Millions of yen	Millions of yen	Thousands of U.S. dollars
ASSETS	2014	2013	2014
Noncurrent assets	¥1,136,021	¥1,162,030	\$11,037,911
Property plant and equipment	856,911	887,102	8,325,992
Hydroelectric power production facilities	102,408	105,291	995,027
Thermal power production facilities	113,204	111,806	1,099,930
Nuclear power production facilities	192,973	217,063	1,874,985
Internal combustion engine power production facilities	45	53	440
Renewable power production facilities	3,056	3,401	29,697
Transmission facilities	169,864	173,403	1,650,448
Transformation facilities	88,177	89,601	856,760
Distribution facilities	154,100	154,985	1,497,288
General facilities	33,022	31,433	320,853
Facilities loaned	57	62	561
Incidental business facilities	2,983	3,494	28,992
Non-operating facilities	2,348	2,475	22,815
Construction in progress	34,330	34,749	333,563
Construction in progress	34,258	34,584	332,864
Retirement in progress	71	165	699
Nuclear fuel	99,844	96,994	970,118
Loaded nuclear fuel	26,219	26,219	254,756
Nuclear fuel in processing	73,625	70,775	715,362
Investments and other assets	139,603	137,213	1,356,428
Long-term investments	62,052	61,205	602,922
Long-term investment for subsidiaries and affiliates	23,546	23,886	228,788
Fund for reprocessing of irradiated nuclear fuel	13,312	17,231	129,343
Long-term prepaid expenses	1,780	1,827	17,300
Prepaid pension cost	6,377	—	61,965
Deferred tax assets	32,560	33,096	316,364
Allowance for doubtful accounts	(26)	(33)	(256)
Current assets	271,903	204,113	2,641,889
Cash and deposits	182,208	113,702	1,770,387
Accounts receivable-trade	40,601	35,744	394,495
Other accounts receivable	1,755	2,251	17,052
Supplies	23,254	27,610	225,950
Prepaid expenses	4,025	3,176	39,108
Short-term receivables from subsidiaries and affiliates	949	957	9,226
Deferred tax assets	6,755	7,842	65,637
Other	12,517	12,988	121,627
Allowance for doubtful accounts	(164)	(160)	(1,596)
Total	¥1,407,925	¥1,366,144	\$13,679,801

	Millions of yen	Millions of yen	Thousands of U.S. dollars
LIABILITIES AND NET ASSETS	2014	2013	2014
Noncurrent liabilities	¥880,775	¥852,284	\$8,557,866
Bonds payable	438,639	438,627	4,261,945
Long-term loans payable	328,542	284,529	3,192,209
Long-term debt to subsidiaries and affiliates	125	172	1,223
Provision for retirement benefits	21,364	21,711	207,588
Provision for reprocessing of irradiated nuclear fuel	14,069	17,989	136,699
Provision for reprocessing of irradiated nuclear fuel without specific plans	5,646	5,429	54,865
Asset retirement obligations	54,024	67,654	524,920
Other	18,362	16,169	178,414
Current liabilities	212,591	195,134	2,065,599
Current portion of noncurrent liabilities	100,115	86,436	972,750
Short-term loans payable	15,000	15,000	145,744
Accounts payable-trade	21,842	21,188	212,229
Accounts payable-other	12,284	9,168	119,358
Accrued expenses	39,803	37,797	386,746
Accrued income taxes and other	6,420	6,860	62,382
Deposits received	314	523	3,059
Short-term debt to subsidiaries and affiliates	15,972	16,181	155,195
Other advances	834	676	8,112
Other	2	1,301	22
Reserves under the special laws	13,985	9,896	135,885
Reserve for fluctuation in water levels	13,985	9,896	135,885
Total liabilities	1,107,352	1,057,315	10,759,351
Shareholders' equity	294,008	302,842	2,856,671
Common stock	117,641	117,641	1,143,038
Capital surplus	33,993	33,993	330,288
Legal capital surplus	33,993	33,993	330,288
Retained earnings	145,671	154,491	1,415,384
Legal retained earnings	28,386	28,386	275,811
Other retained earnings	117,284	126,105	1,139,572
Reserve for overseas investment loss	11	7	109
General reserve	70,000	80,000	680,139
Retained earnings brought forward	47,273	46,097	459,323
Treasury stock	(3,297)	(3,284)	(32,040)
Valuation and translation adjustments	6,564	5,986	63,778
Net unrealized gain on securities	6,564	5,986	63,778
Total net assets	300,572	308,828	2,920,449
Total	¥1,407,925	¥1,366,144	\$13,679,801

Non-Consolidated Statements of Operations

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Operating revenue	¥495,689	¥479,502	\$4,816,261
Electricity	493,943	477,750	4,799,296
Residential	162,829	160,811	1,582,101
Commercial and industrial	275,193	266,489	2,673,857
Sold power to other utilities	32,209	38,074	312,952
Sold power to other suppliers	9,778	5,239	95,007
Transmission revenue	1,043	1,044	10,137
Settlement revenue among utilities	28	5	272
Grant under Act on Purchase of Renewable Energy Sourced Electricity	8,718	2,404	84,713
Other electricity revenue	4,135	3,673	40,182
Revenue from facilities loaned	7	8	72
Incidental business operating revenue	1,746	1,751	16,964
Operating revenue-thermal energy facility solutions	720	724	7,002
Operating revenue-electric power facility solutions	1,012	1,014	9,840
Operating revenue-other businesses	12	13	121
Operating expenses	479,985	471,461	4,663,677
Electricity	479,019	470,347	4,654,286
Hydroelectric power production expenses	21,810	23,061	211,915
Thermal power production expenses	203,634	189,078	1,978,571
Nuclear power production expenses	47,780	53,426	464,244
Internal combustion engine power production expenses	71	72	694
Renewable power production expenses	447	412	4,346
Purchased power from other utilities	2,529	1,813	24,576
Purchased power from other suppliers	51,818	46,031	503,484
Transmission expenses	27,117	26,820	263,478
Transformation expenses	17,975	16,668	174,652
Distribution expenses	38,827	43,930	377,259
Selling expenses	14,200	15,070	137,979
Cost of loaned facilities	4	5	48
General and administrative expenses	28,118	34,108	273,208
Levy under Act on Purchase of Renewable Energy Sourced Electricity	8,516	3,794	82,747
Electric power development promotion tax	10,547	10,544	102,485
Enterprise tax	5,618	5,507	54,592
Transfer to incidental business expense	(0)	—	(0)
Incidental business operating expenses	966	1,113	9,391
Operating expenses-thermal energy facility solutions	366	427	3,560
Operating expenses-electric power facility solutions	593	678	5,770
Operating expenses-other businesses	6	7	60
Operating income	15,703	8,040	152,583
Other income	5,102	2,725	49,572
Financial revenue	3,564	1,586	34,629
Dividends income	2,937	1,074	28,538
Interest income	626	511	6,091
Other revenue	1,537	1,139	14,943
Gain on sales of noncurrent assets	10	1	101
Miscellaneous revenue	1,527	1,137	14,842
Other expenses	13,458	12,963	130,762
Financial expenses	12,881	12,292	125,162
Interest expenses	12,654	12,121	122,956
Bond issuance cost	227	170	2,206
Other expenses	576	671	5,599
Loss on sales of noncurrent assets	83	26	809
Miscellaneous expenses	493	644	4,790
Total ordinary revenue	500,791	482,227	4,865,834
Total ordinary expenses	493,443	484,424	4,794,440
Ordinary income (loss)	7,347	(2,197)	71,394
Provision or reversal of reserve for fluctuation in water levels	4,088	(731)	39,727
Provision of reserve for fluctuation in water levels	4,088	—	39,727
Reversal of reserve for fluctuation in water levels	—	(731)	—
Income (loss) before income taxes	3,259	(1,466)	31,666
Income taxes-current	116	779	1,132
Income taxes for prior periods	165	—	1,604
Income taxes-deferred	1,354	64	13,163
Total income taxes	1,636	843	15,900
Net income (loss)	¥1,622	¥(2,310)	\$15,766
	Yen	Yen	U.S. dollars
PER SHARE:			
Net income (loss)	¥7.77	¥(11.06)	\$0.07
Cash dividends	50.00	50.00	0.48

Non-Consolidated Statements of Changes in Net Assets

	Number of shares of common stock	Shareholders' equity									Valuation and translation adjustments	Total net assets
		Capital stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities		
				Legal retained earnings	Other retained earnings							
					Reserve for overseas investment loss	Reserve for adjustments of cost fluctuation	General reserve					
BALANCE AT APRIL 1, 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
Reversal of reserve for adjustment of cost fluctuations	—	—	—	—	—	(47,500)	—	47,500	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(10,441)	—	(10,441)	—	(10,441)
Net loss	—	—	—	—	—	—	—	(2,310)	—	(2,310)	—	(2,310)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(8)	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	—	—	(1)	3	1	—	1
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	1,867	1,867
Total changes of items during the period	—	—	—	—	—	(47,500)	—	34,746	(4)	(12,758)	1,867	(10,890)
BALANCE AT MARCH 31, 2013	210,333,694	117,641	33,993	28,386	7	—	80,000	46,097	(3,284)	302,842	5,986	308,828
Provision of reserve for overseas investment loss	—	—	—	—	3	—	—	(3)	—	—	—	—
Reversal of reserve for adjustment of cost fluctuations	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of general reserve	—	—	—	—	—	—	(10,000)	10,000	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(10,441)	—	(10,441)	—	(10,441)
Net income	—	—	—	—	—	—	—	1,622	—	1,622	—	1,622
Purchase of treasury stock	—	—	—	—	—	—	—	—	(16)	(16)	—	(16)
Disposal of treasury stock	—	—	—	—	—	—	—	(1)	3	2	—	2
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	577	577
Total changes of items during the period	—	—	—	—	3	—	(10,000)	1,176	(13)	(8,833)	577	(8,256)
BALANCE AT MARCH 31, 2014	210,333,694	¥117,641	¥33,993	¥28,386	¥11	¥—	¥70,000	¥47,273	¥(3,297)	¥294,008	¥6,564	¥300,572

	Shareholders' equity									Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities		
			Legal retained earnings	Other retained earnings							
				Reserve for overseas investment loss	Reserve for adjustments of cost fluctuations	General reserve					
BALANCE AT APRIL 1, 2013	\$1,143,038	\$330,288	\$275,811	\$74	\$—	\$777,302	\$447,894	\$(31,909)	\$2,942,501	\$58,166	\$3,000,668
Provision of reserve for overseas investment loss	—	—	—	34	—	—	(34)	—	—	—	—
Reversal of reserve for adjustment of cost fluctuations	—	—	—	—	—	—	—	—	—	—	—
Reversal of general reserve	—	—	—	—	—	(97,162)	97,162	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	(101,453)	—	(101,453)	—	(101,453)
Net income	—	—	—	—	—	—	15,766	—	15,766	—	15,766
Purchase of treasury stock	—	—	—	—	—	—	—	(162)	(162)	—	(162)
Disposal of treasury stock	—	—	—	—	—	—	(11)	31	20	—	20
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	5,611	5,611
Total changes of items during the period	—	—	—	34	—	(97,162)	11,429	(130)	(85,830)	5,611	(80,218)
BALANCE AT MARCH 31, 2014	\$1,143,038	\$330,288	\$275,811	\$109	\$—	\$680,139	\$459,323	\$(32,040)	\$2,856,671	\$63,778	\$2,920,449

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥102.92 = U.S.\$1.00, the approximate rate of exchange at March 31, 2014.

Six-Year Summary

HOKURIKU ELECTRIC POWER COMPANY
Years ended March 31

	2014	2013	2012	2011	2010	2009
Consolidated Statements of Operations Data (Millions of Yen)						
Operating revenue	509,638	492,487	495,118	494,165	471,422	524,600
Operating expenses	489,782	480,729	483,457	444,176	430,428	498,420
Operating income	19,855	11,758	11,661	49,989	40,994	26,180
Other income deduction (Net)	14,047	9,313	8,275	19,143	13,046	11,472
Income before income taxes and minority interests	5,807	2,444	3,385	30,846	27,948	14,708
Income taxes	3,277	2,346	8,674	11,758	11,014	7,223
Minority interests	14	—	—	—	—	—
Net income (loss)	2,516	98	(5,288)	19,087	16,933	7,484
Net income (loss) per share	12.05	0.47	(25.32)	89.99	79.16	34.98
Consolidated Statement of Cash Flows Data (Millions of Yen)						
Net cash provided by operating activities	81,626	86,505	68,048	133,831	145,762	110,315
Net cash used in investing activities	(60,004)	(61,743)	(58,841)	(77,222)	(49,503)	(59,576)
Net cash provided by (used in) financing activities	46,702	(1,183)	9,569	(96,287)	(79,445)	(47,875)
Net increase (decrease) in cash and cash equivalents	68,324	23,578	18,776	(39,678)	16,813	2,863
Cash and cash equivalents at end of year	184,664	116,340	92,749	73,973	113,651	96,837
Non-Consolidated Statements of Operations Data (Millions of Yen)						
Operating revenue	495,689	479,502	483,395	482,748	460,290	512,991
Residential	162,829	160,811	159,350	158,662	149,092	156,819
Commercial and industrial	275,193	266,489	269,399	261,990	248,469	277,607
Other	57,666	52,201	54,645	62,094	62,728	78,564
Operating expenses	479,985	471,461	475,396	436,120	422,575	490,441
Personnel expenses	44,611	49,645	52,202	53,855	52,473	48,557
Fuel	151,615	138,425	142,376	82,478	81,953	150,138
Maintenance	52,792	59,297	61,935	62,922	55,617	49,646
Depreciation	66,980	70,970	77,537	82,598	86,240	91,282
Purchased Power	54,348	47,844	46,002	49,934	43,787	53,609
Other	109,638	105,278	95,342	104,331	102,503	97,206
Operating income	15,703	8,040	7,999	46,627	37,715	22,549
Other income deduction (Net)	12,444	9,506	7,929	19,951	12,785	10,625
Income (loss) before income taxes	3,259	(1,466)	69	26,676	24,929	11,923
Income taxes	1,636	843	6,715	10,022	9,745	4,980
Net income (loss)	1,622	(2,310)	(6,645)	16,653	15,183	6,943
Net income (loss) per share	7.77	(11.06)	(31.82)	78.52	70.98	32.45

	2014	2013	2012	2011	2010	2009
Operating Statistics						
Utility Plant Data						
Generating Capacity (MW)	8,069	8,061	8,058	8,057	7,963	7,962
Hydroelectric	1,913	1,906	1,904	1,904	1,817	1,816
Thermal	4,400	4,400	4,400	4,400	4,400	4,400
Nuclear	1,746	1,746	1,746	1,746	1,746	1,746
New Energy	9	9	7	6	—	—
Route Length of Transmission Lines (km)	3,322	3,314	3,311	3,301	3,310	3,315
Substations (MVA)	29,778	29,381	29,049	28,651	28,650	28,579
Conductor Length of Distribution Lines (km)	121,717	121,516	121,305	121,078	120,863	120,530
kWh Output Data (Millions of kWh)						
Generated	29,406	29,634	30,151	35,185	31,264	35,028
Hydroelectric	6,489	5,902	6,444	6,180	5,556	5,201
Thermal	22,910	23,726	23,701	16,557	16,035	20,566
Nuclear	0	0	0	12,445	9,673	9,261
New Energy	8	6	6	4	—	—
Purchased and Interchanged	1,599	1,355	1,732	△2,438	△1,089	△3,779
System Operating Requirement (Deduct)	2,927	2,914	2,985	(3,204)	(3,000)	(3,095)
Total Sales of Electric Power	28,078	28,075	28,898	29,543	27,175	28,154
Peak Load (MW)						
Date when the Peak Demand was Recorded	Aug. 19	Aug. 22	Aug. 9	Aug. 5	Jan. 14	Jul. 23
Total Sales of Electric Power (Millions of kWh)						
Lighting (Residential)	8,575	8,539	8,522	8,662	7,995	7,902
Commercial and Industrial	19,603	19,536	20,376	20,881	19,180	20,252
Commercial Power	5,192	5,184	5,186	5,391	5,186	5,239
Small Industrial Power	3,539	3,534	3,700	3,779	3,425	3,686
Large Industrial Power	10,510	10,413	11,097	11,272	10,144	10,901
Other Services	361	405	424	440	425	426
Customer Data						
Number of Customers (Thousand)	2,106	2,097	2,091	2,088	2,084	2,081
Lighting (Residential)	1,878	1,863	1,852	1,842	1,832	1,822
Commercial and Industrial	228	233	240	246	252	259
Population Served (Thousand)	2,962	2,966	2,980	2,993	2,994	3,005
Number of Employees	5,246	5,126	5,009	4,971	4,716	4,630
Number of Shareholders	95,333	97,189	98,352	102,229	110,259	112,779

Corporate Information



Date of Establishment
May 1, 1951

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

Number of Shareholders
95,333 (at the end of March 2014)

Corporate Resources and Facilities (at the end of March 2014)

Capital (billions of yen)	117.64
Number of employees	5,246
Hydroelectric power capacity (MW)	1,913
Thermal power capacity (MW) (steam and internal combustion engine)	4,400
Nuclear power capacity (MW)	1,746
New energy (MW)	9
Transmission facilities (line length in km)	3,322
Transformation facilities (thousands of kVA)	29,778
Distribution facilities (conductor length in km)	121,717
Number of contracts (thousands) (total of lighting and power contracts)	2,106
Electricity sales (billions of kWh) (for fiscal year)	28.1

Head Office and Branches

Head Office: 15-1 Ushijima-cho, Toyama-shi 930-8686, Japan
Toyama Branch: 13-15 Ushijima-cho, 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

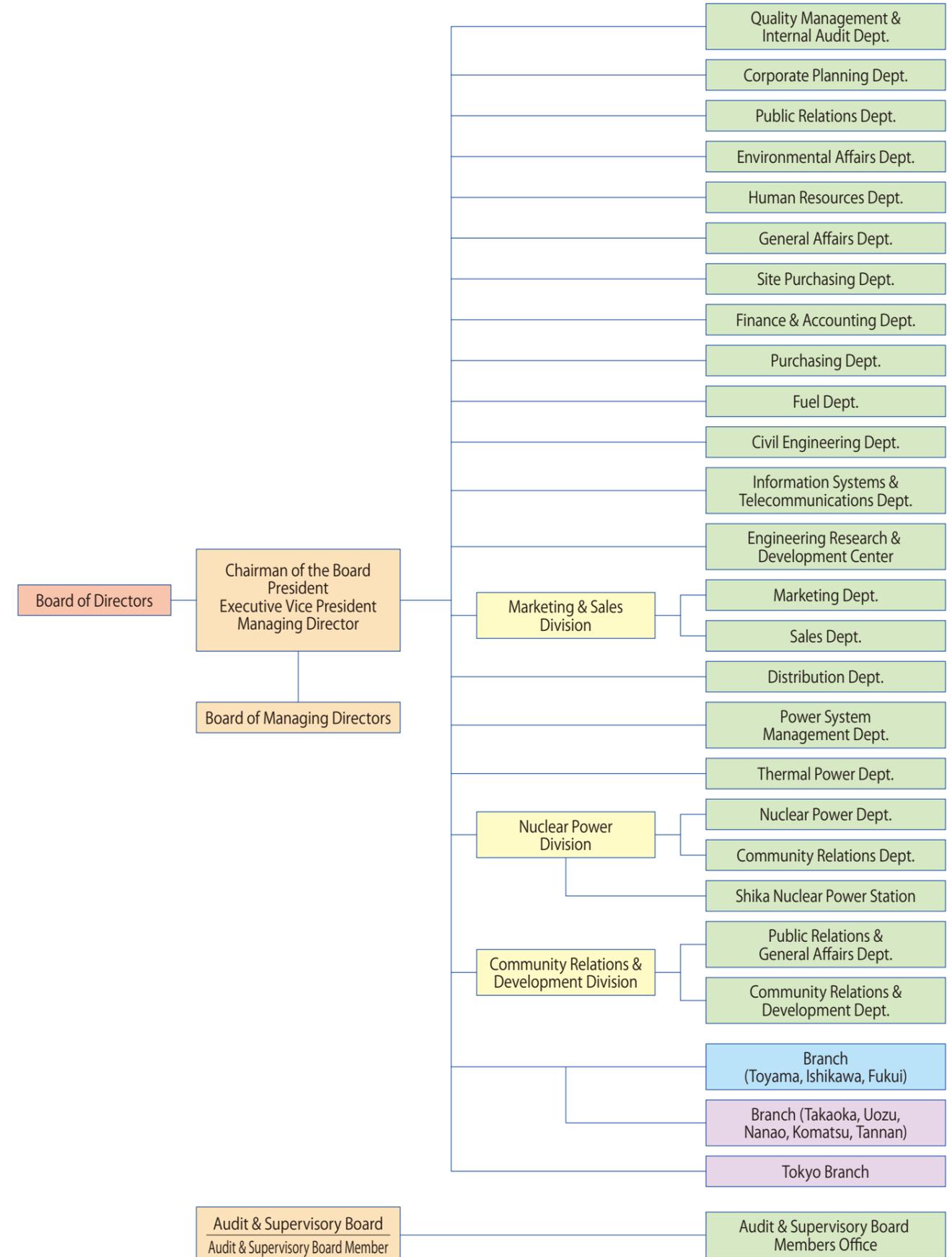
Directors and Auditors

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

Managing Directors: Junichi Akamaru
 Shigeru Yano
 Masayuki Horita
 Akizumi Nishino
 Toshiyuki Hasegawa
 Shiro Ojima

Audit & Supervisory Board Members: Koichi Takakuwa
 Takamasa Omi
 Akira Miyama
 Tatsuo Kawada
 Shigeo Takagi

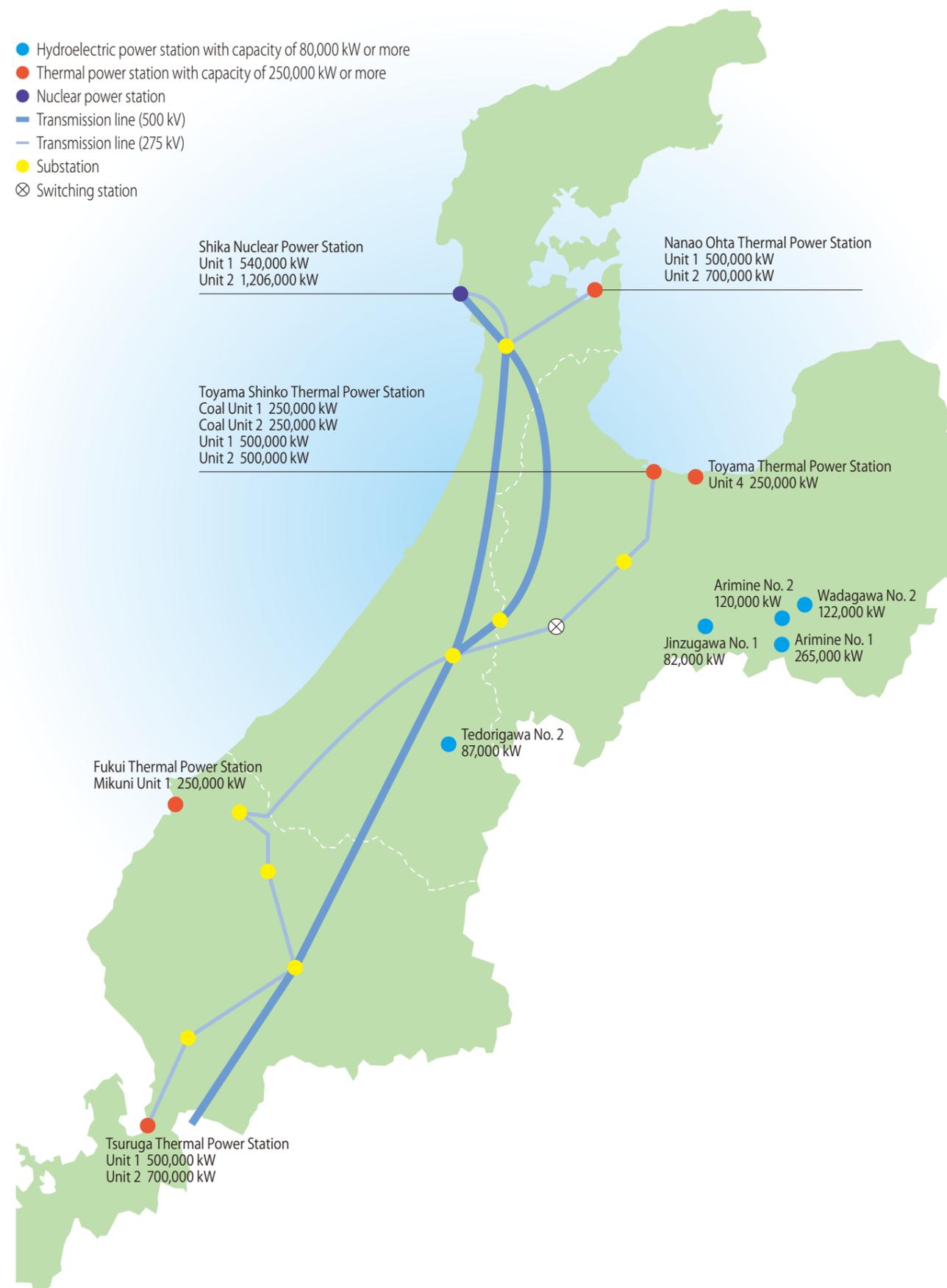
Corporate Organization



List of Affiliated Companies (As of July 1, 2014)

Business field	Name of company	Capital (Millions of yen)	Investment ratio (%)	Date of establishment	Principal businesses
Total energy 	The Nihonkai Power Generating Company, Inc.	7,350	100.0	Apr. 15, 1982	Wholesale supply of electricity
	Kurobegawa Denryoku	3,000	50.0	Oct. 20, 1923	Wholesale supply of electricity
	Toyama Kyodo Jikahatsuden Co., Ltd.	1,350	50.0	Apr. 28, 1952	Small-scale electrical power generation
	Hokuriku Lnes Co., Ltd.	200	41.0	Aug. 31, 2001	Sale of LNG
	Hokuden Partner Service Inc.	20	100.0	Jul. 2, 1990	Maintenance of electrical power equipment and operation of electrical and related facilities
Electricity & Engineering 	Hokuriku Plant Services Co., Ltd.	95	100.0	Apr. 1, 1970	Construction of thermal and nuclear power plant equipment
	Hokuden Techno Service	50	100.0	Apr. 1, 1982	Maintenance of hydroelectric power plant and transformer equipment
	Nihonkaikenko Corporation	200	48.0	Mar. 23, 1946	Design and execution of civil engineering and construction projects
	HOKURIKU ELECTRICAL CONSTRUCTION Co., LTD.	3,328	28.3	Oct. 1, 1944	Electrical work
	Hokuden Engineering Consultants Co., Ltd.	50	100.0	Jul. 1, 2001	Research, design, and administration of civil engineering and construction projects
Information & Telecommunication 	Hokuriku Telecommunication Network Co., Inc.	6,000	100.0	May 25, 1993	Wide-area Ethernet service and corporate Internet connectivity
	Hokuden Information System Service Company, Inc.	50	100.0	Apr. 1, 1987	Software development and maintenance
	Power and IT Company	495	53.5	Aug. 11, 2009	Data center operations
Environment & Recycling 	Nihonkai Environmental Service Inc.	50	100.0	Jan. 10, 1992	Environmental research; design and execution of environmental greening projects
	Japan Ecology and Security Service Company	50	51.0	Jun. 1, 2000	Recycling and storage of confidential documents and archives; sale of paper products
	Plastic Recycling Technology Company	200	51.0	Jul. 10, 2002	Plastic recycling
Life & Office 	Hokuden Industry Co., Ltd.	100	100.0	Jun. 1, 1974	Real estate leasing and management, temporary staffing, equipment leasing, operation of the Hyakusen Yokocho online store, and nursing care/social welfare services
	Hokuriku Electric Power Living Service Co., Ltd.	50	100.0	Jul. 1, 1987	Consulting to promote comfortable, energy-efficient lifestyles
	Hokuriku Denki Shoji Co., Ltd.	10	60.0	Nov. 8, 1949	Telephone pole advertising and travel services
Manufacturing 	Nihonkai Concrete Industries Co.	150	80.0	Feb. 4, 1953	Manufacture and sale of concrete poles and piles
	Hokuriku Instrumentation Co., Inc.	30	40.0	Sep. 1, 1970	Manufacture, repair, and testing of power meters and other instrumentation
	Hokuriku Energys Co., Ltd.	48	25.0	Apr. 3, 1981	Manufacture and sale of distribution switches and other equipment
	Hokuriku Electric Co., Ltd.	200	19.8	May 17, 1944	Manufacture and sale of transformers and distribution boards

Power Distribution Network (As of April 2014)



 **Hokuriku Electric Power Company**

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