
FY2020 2nd Quarter Financial Results

Oct 29, 2020 (Thu)



Hokuriku Electric Power Company

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I . Outline of Financial Results for FY2020 2nd Quarter

Electricity Sales

(Billion kWh,%)

《 Main Factors 》

	FY20/2Q (A)	FY19/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
Retail	12.12	12.19	Δ0.07	99.4
Lighting	3.56	3.48	0.08	102.3
Power	8.57	8.72	Δ0.15	98.3
Wholesale	3.47	2.43	1.04	142.9
Total	15.59	14.62	0.97	106.6

< Lighting >
· Increase due to refrain from going outside, etc.

<Power>
· Decrease due to suspension of operations at factories, etc.

<Wholesale>
· Increase in trading at JEPX

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

(Reference)Average monthly temperature in Hokuriku 3 cities

(°C)

	April	May	June	July	August	September
Actual data	11.1	18.6	23.2	24.2	28.9	24.6
Comparison with the previous year	Δ0.7	Δ0.5	+1.5	Δ1.5	+0.8	+0.1

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

Generated Power

《Hydro》
 Increase in reservoir-type hyreco power generated, etc.
 《Thermal》
 Increase in LNG-fired thermal power generated

(Billion kWh,%)

	FY20/2Q (A)	FY19/2Q (B)	Comparison	
			(A)-(B)	(A)/(B)
[Flow rate]	[96.8]	[96.3]	[0.5]	
Hydro	3.91	3.62	0.29	108.1
Thermal	9.47	9.38	0.09	101.0
Nuclear	—	—	—	—
Renewable	0.00	0.00	Δ0.00	93.0
Total	13.38	13.00	0.38	102.9

Summary of Financial Results

《Consolidated Financial Results》

- Decrease in Revenues and increased profits for the first time in 11 years.

《Interim dividend for FY2020》

- We have decided we will pay interim dividend of 5 yen per share as a result of securing some profit.

(Billion yen,%)

		FY20/2Q (A)	FY19/2Q (B)	Comparison	
				(A)-(B)	(A)/(B)
Consolidated	Sales (Operating Revenue)	307.4	310.4	Δ 3.0	99.0
	Ordinary Income	25.1	16.2	8.8	154.5
	Net Income Attributable to Owners of Parent	17.2	10.7	6.4	160.3

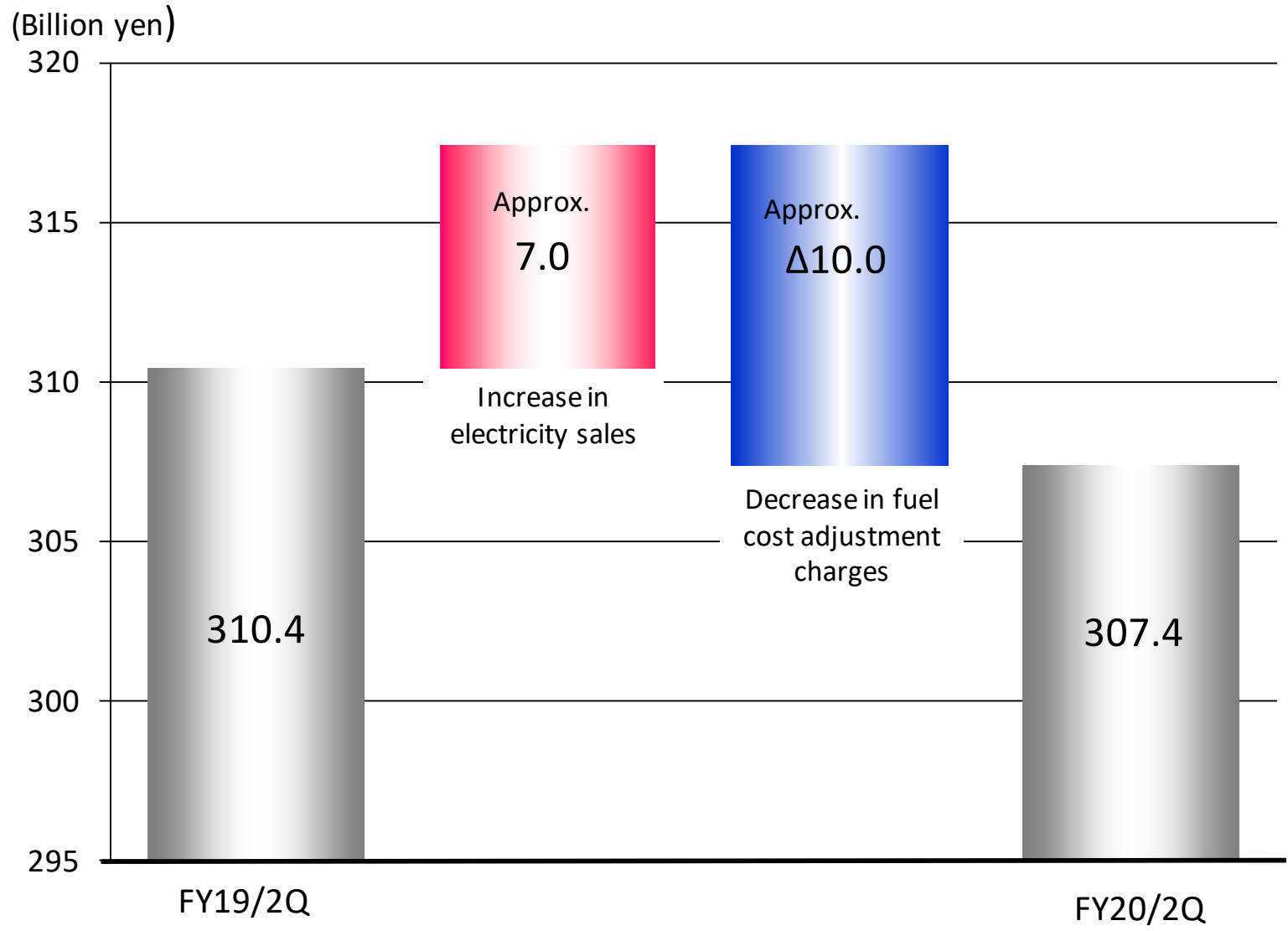
《 Main Factors 》

- <Consolidated Sales>
- Increase in electricity sales
 - Decrease in fuel cost adjustment charges

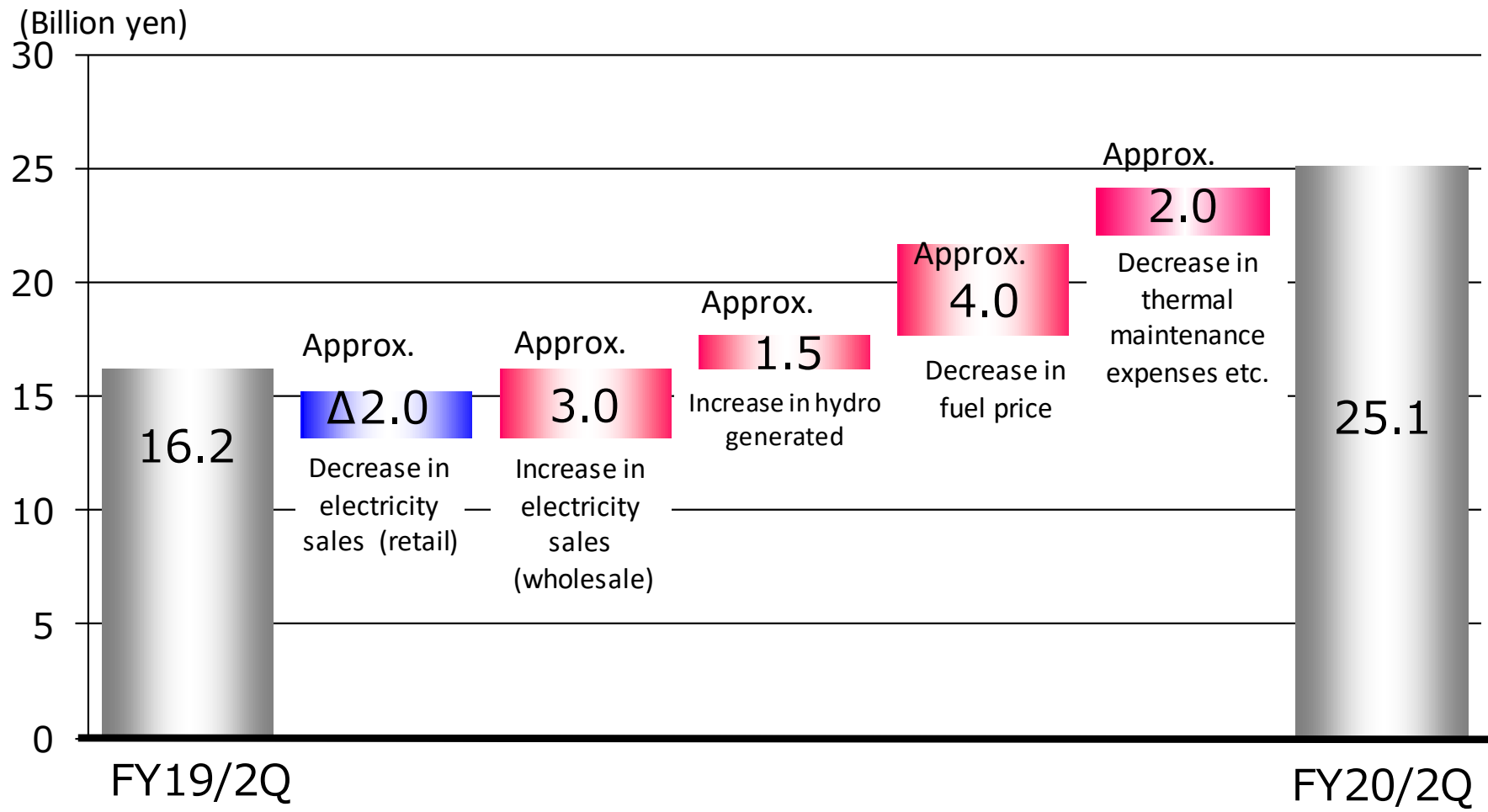
Interim dividend per share	5 yen	—
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<The number of consolidated subsidiaries : 20 affiliates and 4 equity method affiliates>

Changing factor of Consolidated Sales



Changing factor of Consolidated Ordinary Income



Financial Forecast and Dividend Forecast for FY2020

《Forecast of Ordinary Income》

· Both sales and ordinary income forecasts are undecided as the convergence of COVID-19 and the impact on electricity sales etc. cannot be forecast.

《Dividend forecast》

· No change from the dividend forecast announced on July 29.

	FY20 Forecast	Previous Forecast (Announced on July 29)	(Reference) FY19
Year-end dividend	5yen per share	5yen per share	10yen per share

<Total dividend forecast for FY2020: 10yen per share>

Statement of revenue and expenses

(Billion yen,%)

		FY20/2Q	FY19/2Q	Comparison	
		(A)	(B)	(A)-(B)	(A)/(B)
Ordinary revenue	Electricity Sales(Retail)	215.0	224.8	Δ 9.7	95.7
	(Renewable Energy Power Promotion Surcharge)	(31.0)	(31.0)	(0.0)	(100.0)
	Electricity Sales(Wholesale)	28.8	24.9	3.8	115.3
	Others	42.0	39.2	2.8	107.3
	consolidated subsidiaries etc.	22.5	22.5	Δ 0.0	99.8
	[consolidated Sales]	[307.4]	[310.4]	[Δ3.0]	[99.0]
Total		308.5	311.6	Δ 3.1	99.0
Ordinary expenses	Personnel expenses	26.4	25.5	0.8	103.3
	Fuel expenses	37.1	50.8	Δ 13.7	73.0
	Maintenance expenses	31.4	32.6	Δ 1.1	96.4
	Depreciation expenses	24.8	23.8	1.0	104.3
	Purchased power expenses	59.6	57.4	2.1	103.8
	Interest expenses	3.5	3.9	Δ 0.4	89.7
	Taxes and public charges	15.1	15.6	Δ 0.4	97.0
	Others	65.0	64.7	0.2	100.4
	(Levy under Act on Purchase of Renewable Energy Sourced Electricity)	(31.0)	(31.0)	(0.0)	(100.1)
	consolidated subsidiaries etc.	20.2	20.7	Δ 0.5	97.3
Total		283.3	295.3	Δ 11.9	95.9
Consolidated ordinary income		25.1	16.2	8.8	154.5

Decrease in fuel cost adjustment charges

Increase in electricity sales (wholesale)

Decrease in fuel price

Increase in trading at JEPX

*1: Total of Hokuriku Electric Power Company and Hokuriku Electric Power Transmission & Distribution Company (after the elimination of internal transactions)
 *2: Amounts of subsidiaries and affiliates, excluding Hokuriku Electric Power Company and Hokuriku Electric Power Transmission & Distribution Company (after the elimination of internal transactions)

Consolidated Balance Sheet (Summary)

(Billion yen)

	FY20/2Q (A)	FY19 (B)	Comparison (A)-(B)	Main reason of increase and decrease (Note) Related to only Hokuriku Electric Power Company
Non-current assets	1,325.3	1,317.5	7.8	
Electricity business	865.9	868.8	Δ2.8	·Capitalization of construction 12.8 ·Depreciation Δ14.4
Others	459.3	448.6	10.6	·Increase in consolidated subsidiaries 4.4
Current assets	264.6	275.4	Δ10.7	·Cash and Stores Δ14.7
Total assets	1,590.0	1,592.9	Δ2.9	
Inreresst-bearing debt	985.7	974.7	11.0	·Straight bond 20.0 ·Long-term debt Δ10.8
Other debt	224.6	260.9	Δ36.2	·Accounts payable-trade Δ12.8 ·Accrued expenses Δ8.3 ·Accounts payable-others Δ7.8
Reserve for fluctuation in water levels	20.8	20.8	-	
Total liabilities	1,231.2	1,256.4	Δ25.1	
Net assets	358.7	336.4	22.2	·Net income 16.5
[Equity ratio]	[21.5%]	[20.2%]	[1.3%]	
Total of liabilities and net assets	1,590.0	1,592.9	Δ2.9	

Consolidated Statement of Cash Flow (Summary)

(Billion yen)

	FY20/2Q (A)	FY19/2Q (B)	Comparison (A)-(B)
I .Operating activities①	16.4	19.6	Δ3.2
Net Income before income taxes	25.1	16.4	8.6
Depreciation and amortization	26.9	25.4	1.4
Others	Δ35.6	Δ22.2	Δ13.4
II .Investing activities②	Δ48.5	Δ51.6	3.1
Capital investment	Δ42.8	Δ49.0	6.2
Long-term investment and others	Δ5.6	Δ2.6	Δ3.0
III .Financing activities	8.6	Δ22.7	31.3
Loan, bond, etc	11.0	Δ22.4	33.4
Purchases and sales of treasury stock	0.0	Δ0.0	0.0
Cash dividends paid③	Δ2.3	Δ0.2	Δ2.0
IV .Net increase in cash and cash equivalents (I + II + III)	Δ23.4	Δ54.7	31.2
○ Free cash flow (① + ② + ③)	Δ34.4	Δ32.2	Δ2.1

II . Supplemental Material

(Reference) Segment information

· We have divided segment information into three categories: Power Generation and Sales, Transmission and Distribution, and Others.

Segment	(Billion yen)	
	FY20/2Q	
[Power Generation and Sales Business]		
Sales		280.5
Ordinary Income/Loss		20.1
[Power Transmission and Distribution Business]		
Sales		75.1
Ordinary Income/Loss		2.3
[Others]		
Sales		49.4
Ordinary Income/Loss		4.3

<Before the elimination of internal transactions>

Segment	(Billion yen)	
	FY19/2Q	
[Electricity Business]		
Sales		284.7
Ordinary Income/Loss		14.4
[Others]		
Sales		49.4
Ordinary Income/Loss		3.3

(Reference) Key Factor and Capital Investment

<Key Factor>

		FY20/2Q (A)	FY19/2Q (B)	Comparison (A)-(B)
Total electricity sales	(Billion kWh)	15.59	14.62	0.97
Currency rate	(yen/\$)	106.9	108.6	Δ1.7
Crude Oil CIF prices[All Japan]	(\$/b)	36.5	68.9	Δ32.4
Flow rate	(%)	96.8	96.3	0.5

<Consumption of Fossil Fuels>

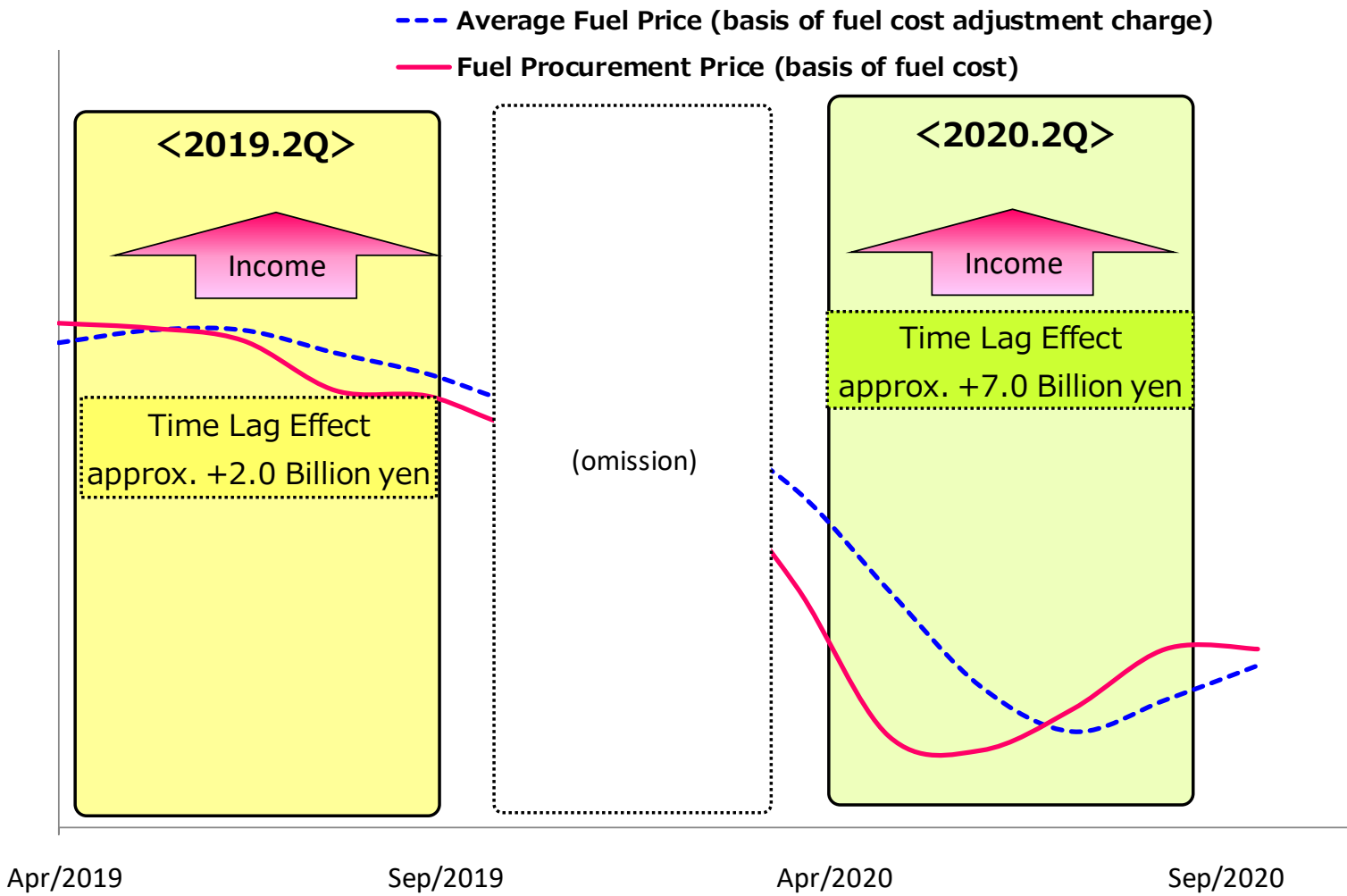
		FY20/2Q (A)	FY19/2Q (B)	Comparison (A)-(B)
Coal	(10,000t)	267	265	2
Heavy Oil	(10,000kl)	1	2	Δ0
Crude Oil	(10,000kl)	—	0	Δ0
LNG	(10,000t)	25	22	3

<Capital investment>

(Billion yen)

	FY15	FY16	FY17	FY18	FY19	FY20 Forecast
Capital investment [Consolidated]	99.5	94.8	109.0	102.9	76.5	Approx.90.0

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



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

(Reference) Data related to Financial Results

<Consolidated Income and loss>

(Billion yen)

	FY15	FY16	FY17	FY18	FY19
Sales	544.5	542.5	596.2	622.9	628.0
Operating Income	38.1	10.5	14.8	12.8	29.4
Ordinary Income	28.0	2.0	2.6	6.6	23.2
Net Income	12.8	Δ0.6	Δ0.4	2.5	13.4

<Consolidated Balance sheet>

(Billion yen,%)

	FY15	FY16	FY17	FY18	FY19
Total assets	1,509.3	1,518.0	1,588.7	1,573.1	1,592.9
Net assets	334.0	327.6	327.6	326.9	336.4
Equity ratio	21.5	20.8	19.8	19.9	20.2

Regarding Forward-Looking Statements(Performance Projections)

Certain statements in this presentation regarding Hokuriku Electric Power Company's business operations may constitute "forward-looking statements." As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the Company's actual results to differ materially from the Forward-looking statements (Performance projections) herein.

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