

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 27, 2022

Company name: Hokuriku Electric Power Company
 Stock exchange listing: Tokyo
 Stock code: 9505 URL <https://www.rikuden.co.jp>
 Representative: Representative Director & President Koji Matsuda
 Manager of Budget & Accounting Planning
 Inquiries: Shinichiroh Makino TEL 076-441-2511
 Team Finance & Accounting Department
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---------------------------|-------------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2022 | 613,756 | (4.0) | (16,390) | – | (17,616) | – | (6,805) | – |
| Year ended March 31, 2021 | 639,445 | 1.8 | 17,828 | (39.5) | 12,354 | (46.8) | 6,834 | (49.1) |

| | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/Operating revenue |
|---------------------------|--------------------|----------------------------|--|------------------------------|------------------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2022 | (32.60) | – | (2.1) | (1.1) | (2.7) |
| Year ended March 31, 2021 | 32.73 | – | 2.1 | 0.8 | 2.8 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2022 | 1,656,664 | 342,726 | 19.6 | 1,556.14 |
| As of March 31, 2021 | 1,595,626 | 355,740 | 21.2 | 1,622.02 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2022 | 30,950 | (111,044) | 52,785 | 105,002 |
| Year ended March 31, 2021 | 56,639 | (84,913) | (3,300) | 132,310 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2021 | – | 5.00 | – | 10.00 | 15.00 | 3,131 | 45.8 | 0.9 |
| Year ended March 31, 2022 | – | 7.50 | – | 2.50 | 10.00 | 2,087 | – | 0.6 |
| Year ending March 31, 2023 (Forecast) | – | – | – | – | – | – | – | – |

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-------------------|---|------------------|---|-----------------|---|---|---|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | – | – | – | – | – | – | – | – | – |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|----------------------|--------------------|----------------------|--------------------|
| As of March 31, 2022 | 210,333,694 shares | As of March 31, 2021 | 210,333,694 shares |
|----------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|------------------|----------------------|------------------|
| As of March 31, 2022 | 1,572,347 shares | As of March 31, 2021 | 1,565,626 shares |
|----------------------|------------------|----------------------|------------------|

Average number of shares during the period

| | | | |
|---------------------------|--------------------|---------------------------|--------------------|
| Year ended March 31, 2022 | 208,764,795 shares | Year ended March 31, 2021 | 208,771,900 shares |
|---------------------------|--------------------|---------------------------|--------------------|

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Assets | | |
| Non-current assets | 1,350,284 | 1,404,995 |
| Electric utility plant and equipment | 868,222 | 869,034 |
| Hydroelectric power production facilities | 98,645 | 98,418 |
| Thermal power production facilities | 203,632 | 207,912 |
| Nuclear power production facilities | 120,441 | 112,789 |
| Transmission facilities | 161,426 | 161,596 |
| Transformation facilities | 92,079 | 93,123 |
| Distribution facilities | 153,359 | 155,808 |
| General facilities | 32,304 | 33,376 |
| Other electric utility plant and equipment | 6,332 | 6,009 |
| Other non-current assets | 54,583 | 67,089 |
| Construction in progress | 156,949 | 183,616 |
| Construction and retirement in progress | 149,289 | 174,424 |
| Special account related to reprocessing of spent nuclear fuel | 7,659 | 9,191 |
| Nuclear fuel | 86,984 | 78,902 |
| Loaded nuclear fuel | 26,219 | 26,219 |
| Nuclear fuel in processing | 60,765 | 52,683 |
| Investments and other assets | 183,544 | 206,352 |
| Long-term investments | 111,661 | 119,946 |
| Retirement benefit asset | 24,181 | 23,419 |
| Deferred tax assets | 40,302 | 39,266 |
| Other | 9,238 | 25,993 |
| Allowance for doubtful accounts | (1,839) | (2,272) |
| Current assets | 245,342 | 251,668 |
| Cash and deposits | 132,310 | 105,602 |
| Notes and accounts receivable - trade | 72,019 | – |
| Notes and accounts receivable - trade, and contract assets | – | 80,211 |
| Inventories | 27,203 | 29,225 |
| Other | 15,140 | 36,811 |
| Allowance for doubtful accounts | (1,331) | (181) |
| Total | 1,595,626 | 1,656,664 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Liabilities and net assets | | |
| Non-current liabilities | 1,006,650 | 1,070,291 |
| Bonds payable | 475,000 | 505,000 |
| Long-term borrowings | 405,555 | 436,933 |
| Retirement benefit liability | 32,180 | 32,219 |
| Asset retirement obligations | 85,692 | 88,818 |
| Other | 8,221 | 7,320 |
| Current liabilities | 212,589 | 240,651 |
| Current portion of non-current liabilities | 86,593 | 93,453 |
| Short-term borrowings | 7,080 | 1,281 |
| Notes and accounts payable - trade | 33,585 | 59,876 |
| Accrued taxes | 11,817 | 8,900 |
| Other | 73,512 | 77,138 |
| Reserves under special laws | 20,645 | 2,993 |
| Reserve for water shortage | 20,645 | 2,993 |
| Total liabilities | 1,239,886 | 1,313,937 |
| Shareholders' equity | 329,485 | 318,719 |
| Share capital | 117,641 | 117,641 |
| Capital surplus | 33,992 | 33,991 |
| Retained earnings | 181,208 | 170,443 |
| Treasury shares | (3,356) | (3,357) |
| Accumulated other comprehensive income | 9,139 | 6,142 |
| Valuation difference on available-for-sale securities | 4,685 | 5,246 |
| Deferred gains or losses on hedges | 1,891 | 304 |
| Foreign currency translation adjustment | – | 87 |
| Remeasurements of defined benefit plans | 2,562 | 502 |
| Non-controlling interests | 17,115 | 17,865 |
| Total net assets | 355,740 | 342,726 |
| Total | 1,595,626 | 1,656,664 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Operating revenue | 639,445 | 613,756 |
| Electric utility operating revenue | 583,395 | 547,118 |
| Other business operating revenue | 56,050 | 66,638 |
| Operating expenses | 621,616 | 630,147 |
| Electric utility operating expenses | 571,766 | 570,773 |
| Other business operating expenses | 49,849 | 59,373 |
| Operating profit (loss) | 17,828 | (16,390) |
| Non-operating income | 2,793 | 7,385 |
| Dividend income | 465 | 557 |
| Interest income | 62 | 59 |
| Derivative gains | – | 3,718 |
| Share of profit of entities accounted for using equity method | 292 | – |
| Gain on termination of retirement benefit plan | 532 | – |
| Other | 1,441 | 3,049 |
| Non-operating expenses | 8,268 | 8,610 |
| Interest expenses | 6,916 | 6,578 |
| Share of loss of entities accounted for using equity method | – | 735 |
| Other | 1,351 | 1,296 |
| Total ordinary revenue | 642,239 | 621,141 |
| Total ordinary expenses | 629,885 | 638,757 |
| Ordinary profit (loss) | 12,354 | (17,616) |
| Provision or reversal of reserve for water shortage | (177) | (17,651) |
| Reversal of reserve for water shortage | (177) | (17,651) |
| Extraordinary losses | – | 1,263 |
| Loss on return of imbalance income and expenditure | – | 1,263 |
| Profit (loss) before income taxes | 12,531 | (1,227) |
| Income taxes - current | 3,408 | 2,289 |
| Income taxes - deferred | 639 | 2,137 |
| Total income taxes | 4,047 | 4,427 |
| Profit (loss) | 8,484 | (5,654) |
| Profit attributable to non-controlling interests | 1,650 | 1,150 |
| Profit (loss) attributable to owners of parent | 6,834 | (6,805) |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Profit (loss) | 8,484 | (5,654) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,762 | 549 |
| Deferred gains or losses on hedges | 3,865 | (1,586) |
| Remeasurements of defined benefit plans, net of tax | 5,029 | (2,042) |
| Share of other comprehensive income of entities accounted for using equity method | 3 | 83 |
| Total other comprehensive income | 10,661 | (2,996) |
| Comprehensive income | 19,145 | (8,650) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 17,507 | (9,802) |
| Comprehensive income attributable to non-controlling interests | 1,637 | 1,151 |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 117,641 | 33,992 | 175,226 | (3,351) | 323,508 |
| Cumulative effects of changes in accounting policies | | | | | – |
| Restated balance | 117,641 | 33,992 | 175,226 | (3,351) | 323,508 |
| Changes during period | | | | | |
| Dividends of surplus | | | (3,131) | | (3,131) |
| Profit (loss) attributable to owners of parent | | | 6,834 | | 6,834 |
| Purchase of treasury shares | | | | (5) | (5) |
| Disposal of treasury shares | | (0) | (0) | 1 | 0 |
| Change in scope of consolidation | | | 2,280 | | 2,280 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (0) | | | (0) |
| Other | | | | | – |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | (0) | 5,981 | (4) | 5,976 |
| Balance at end of period | 117,641 | 33,992 | 181,208 | (3,356) | 329,485 |

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 2,986 | (1,974) | – | (2,546) | (1,533) | 14,481 | 336,456 |
| Cumulative effects of changes in accounting policies | | | | | | | – |
| Restated balance | 2,986 | (1,974) | – | (2,546) | (1,533) | 14,481 | 336,456 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (3,131) |
| Profit (loss) attributable to owners of parent | | | | | | | 6,834 |
| Purchase of treasury shares | | | | | | | (5) |
| Disposal of treasury shares | | | | | | | 0 |
| Change in scope of consolidation | | | | | | | 2,280 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | (0) |
| Other | | | | | | | – |
| Net changes in items other than shareholders' equity | 1,698 | 3,865 | – | 5,108 | 10,673 | 2,633 | 13,307 |
| Total changes during period | 1,698 | 3,865 | – | 5,108 | 10,673 | 2,633 | 19,283 |
| Balance at end of period | 4,685 | 1,891 | – | 2,562 | 9,139 | 17,115 | 355,740 |

Fiscal year ended March 31, 2022

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 117,641 | 33,992 | 181,208 | (3,356) | 329,485 |
| Cumulative effects of changes in accounting policies | | | 70 | | 70 |
| Restated balance | 117,641 | 33,992 | 181,278 | (3,356) | 329,555 |
| Changes during period | | | | | |
| Dividends of surplus | | | (3,653) | | (3,653) |
| Profit (loss) attributable to owners of parent | | | (6,805) | | (6,805) |
| Purchase of treasury shares | | | | (4) | (4) |
| Disposal of treasury shares | | | (2) | 3 | 0 |
| Change in scope of consolidation | | | (382) | | (382) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (0) | | | (0) |
| Other | | | 8 | | 8 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (0) | (10,834) | (1) | (10,836) |
| Balance at end of period | 117,641 | 33,991 | 170,443 | (3,357) | 318,719 |

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 4,685 | 1,891 | - | 2,562 | 9,139 | 17,115 | 355,740 |
| Cumulative effects of changes in accounting policies | | | | | | | 70 |
| Restated balance | 4,685 | 1,891 | - | 2,562 | 9,139 | 17,115 | 355,810 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (3,653) |
| Profit (loss) attributable to owners of parent | | | | | | | (6,805) |
| Purchase of treasury shares | | | | | | | (4) |
| Disposal of treasury shares | | | | | | | 0 |
| Change in scope of consolidation | | | | | | | (382) |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | (0) |
| Other | | | | | | | 8 |
| Net changes in items other than shareholders' equity | 561 | (1,586) | 87 | (2,059) | (2,997) | 750 | (2,247) |
| Total changes during period | 561 | (1,586) | 87 | (2,059) | (2,997) | 750 | (13,083) |
| Balance at end of period | 5,246 | 304 | 87 | 502 | 6,142 | 17,865 | 342,726 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 12,531 | (1,227) |
| Depreciation | 54,346 | 55,042 |
| Impairment losses | 78 | 84 |
| Amortization of goodwill | – | 307 |
| Decommissioning costs of nuclear power units | 4,171 | 4,273 |
| Loss on retirement of non-current assets | 2,270 | 1,996 |
| Loss on return of imbalance income and expenditure | – | 1,263 |
| Increase (decrease) in retirement benefit liability | (1,181) | 1,013 |
| Decrease (increase) in retirement benefit asset | 1,115 | (3,013) |
| Increase (decrease) in reserve for water shortage | (177) | (17,651) |
| Interest and dividend income | (527) | (617) |
| Interest expenses | 6,916 | 6,578 |
| Decrease (increase) in trade receivables | (4,937) | (6,775) |
| Decrease (increase) in inventories | 5,444 | (1,907) |
| Increase (decrease) in trade payables | (3,364) | 25,851 |
| Increase (decrease) in accrued enterprise taxes and accrued consumption taxes | (4,896) | (1,890) |
| Other, net | (2,057) | (24,681) |
| Subtotal | 69,733 | 38,647 |
| Interest and dividends received | 541 | 642 |
| Interest paid | (7,203) | (6,706) |
| Income taxes paid | (6,673) | (2,259) |
| Income taxes refund | 241 | 627 |
| Net cash provided by (used in) operating activities | 56,639 | 30,950 |
| Cash flows from investing activities | | |
| Purchase of non-current assets | (86,938) | (83,368) |
| Proceeds from contribution received for construction | 2,070 | 955 |
| Proceeds from sale of non-current assets | 1,041 | 142 |
| Investments and loan advances | (7,549) | (29,340) |
| Proceeds from divestments and collection of loans receivable | 6,461 | 566 |
| Net cash provided by (used in) investing activities | (84,913) | (111,044) |

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Proceeds from issuance of bonds | 60,000 | 80,000 |
| Redemption of bonds | (50,000) | (30,000) |
| Proceeds from long-term borrowings | 47,000 | 67,900 |
| Repayments of long-term borrowings | (52,218) | (55,726) |
| Net increase (decrease) in short-term borrowings | (4,630) | (4,473) |
| Proceeds from sale of treasury shares | 2 | 0 |
| Purchase of treasury shares | (5) | (4) |
| Dividends paid | (3,144) | (3,664) |
| Dividends paid to non-controlling interests | (300) | (528) |
| Other, net | (3) | (717) |
| Net cash provided by (used in) financing activities | (3,300) | 52,785 |
| Net increase (decrease) in cash and cash equivalents | (31,574) | (27,307) |
| Cash and cash equivalents at beginning of period | 163,019 | 132,310 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | 865 | – |
| Cash and cash equivalents at end of period | 132,310 | 105,002 |