

**Consolidated financial results (Japanese accounting standards)  
For the 2nd quarter of the fiscal year ending September 30, 2023 (Q2 FY2023)**

Company name: Hokuriku Electric Industry Co., Ltd.  
 Stock code: 6989  
 URL: <https://www.hdk.co.jp/>  
 Stock exchange listing: Tokyo Stock Exchange  
 Representative: Morio Tada, President  
 Contact: Koji Miwa, Deputy General Manager, Financial Affairs Department  
 Tel. +81-76-467-1111

Scheduled date for filing of securities report: November 10, 2023  
 Scheduled date of commencement of dividend payment: -  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes

(Yen in millions , rounded down)

1. Consolidated financial results for the 2nd quarter of the fiscal year ending September 30, 2023  
 (April 1, 2023 – September 30, 2023)

(1) Consolidated results of operations (Cumulative)

(Percentage figures represent the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30 , 2023	20,863	(11.2)	1,101	(26.3)	1,865	(23.0)	1,511	(16.1)
September 30 , 2022	23,504	26.7	1,494	65.7	2,422	140.1	1,801	154.5

(Note) Comprehensive income: 2,463 million yen ((19.3%)) for the six months ending September 30, 2023  
 3,053 million yen (193.4%) for the six months ended September 30, 2022

	Net income		Diluted net income	
	Per share		Per share	
	Yen		Yen	
September 30 , 2023	181.13		-	
September 30 , 2022	215.21		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
September 30 , 2023	43,216		19,049		44.1	
March 31 , 2023	42,979		17,107		39.8	

(Reference) Equity:six months ending September 30, 2023: 19,049 million yen  
 Fiscal year ended March 31, 2023: 17,107 million yen

2. Dividends

	Dividend per share					Total
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end		
	Yen	Yen	Yen	Yen	Yen	
Year ended March 31, 2023	-	0.00	-	55.00	55.00	
Year ending March 31, 2024	-	0.00	-	55.00	55.00	
Year ending March 31, 2024 (forecasts)			-	55.00	55.00	

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentage figures for the fiscal year represent the changes from the previous year)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31,2024	42,600	(6.3)	2,300	(21.8)	2,600	(27.4)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2024	2,100	224.3	253.28

(Note) Revisions to financial forecasts published most recently: Yes

4.Others

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries that change the scope of consolidation): None

(2) Application of particular accounting procedures in preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies caused by revision of accounting standards: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares outstanding (common stock):

(i) Number of shares outstanding at end of period (including treasury stock)

As of September 30,2023	9,250,099 shares	As of March 31,2023	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of September 30,2023	1,014,923 shares	As of March 31,2023	878,702 shares
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(iii) Average number of shares outstanding during the term

As of September 30,2023	8,346,974 shares	As of September 30,2022	8,369,076 shares
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\* This document is not subject to audit procedures.

\* Explanation for appropriate use of forecasts and other special notes

The earnings forecast and other forward-looking statements presented in this document are prepared based on currently available information and certain preconditions that the company believes to be reasonable, and do not constitute any guarantee of future performance achievements.

Actual results may substantially differ from any forecasts presented herein due to various factors.

Consolidated financial statements  
 Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,052	11,057
Notes and accounts receivable - trade	10,064	8,672
Merchandise and finished goods	1,743	2,373
Work in process	3,958	3,498
Raw materials and supplies	4,319	3,453
Other	2,014	1,311
Allowance for doubtful accounts	(19)	(30)
Total current assets	30,132	30,336
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,572	2,596
Machinery, equipment and vehicles, net	3,081	2,995
Land	2,847	2,848
Other, net	260	357
Total property, plant and equipment	8,761	8,797
Intangible assets	376	310
Investments and other assets		
Investment securities	1,124	1,333
Deferred tax assets	1,232	1,229
Other	2,372	2,261
Allowance for doubtful accounts	(1,021)	(1,052)
Total investments and other assets	3,708	3,771
Total non-current assets	12,847	12,880
Total assets	42,979	43,216

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,737	6,193
Short-term borrowings	5,690	6,710
Income taxes payable	295	594
Provision for bonuses	446	453
Provision for Loss on business related to business partners	413	—
Other	1,219	1,467
<b>Total current liabilities</b>	<b>15,803</b>	<b>15,418</b>
Non-current liabilities		
Long-term borrowings	5,397	4,196
Lease liabilities	227	221
Deferred tax liabilities	10	6
Deferred tax liabilities for land revaluation	318	318
Retirement benefit liability	4,050	3,939
Other	63	66
<b>Total non-current liabilities</b>	<b>10,068</b>	<b>8,748</b>
<b>Total liabilities</b>	<b>25,872</b>	<b>24,166</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,038	5,037
Retained earnings	5,804	6,985
Treasury shares	(1,156)	(1,351)
<b>Total shareholders' equity</b>	<b>14,886</b>	<b>15,872</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	139	333
Revaluation reserve for land	665	665
Foreign currency translation adjustment	1,432	2,183
Remeasurements of defined benefit plans	(16)	(5)
<b>Total accumulated other comprehensive income</b>	<b>2,221</b>	<b>3,177</b>
<b>Total net assets</b>	<b>17,107</b>	<b>19,049</b>
<b>Total liabilities and net assets</b>	<b>42,979</b>	<b>43,216</b>

## Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	23,504	20,863
Cost of sales	19,475	17,225
Gross profit	4,028	3,638
Selling, general and administrative expenses	2,534	2,536
Operating profit	1,494	1,101
Non-operating income		
Interest income	23	40
Dividend income	25	23
Foreign exchange gains	851	691
Other	100	74
Total non-operating income	1,001	830
Non-operating expenses		
Interest expenses	29	35
Expenses for persons of temporary transfer	22	10
Other	21	21
Total non-operating expenses	73	66
Ordinary profit	2,422	1,865
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on reversal of loss on business related to business partners	—	102
Surrender value of insurance policies	35	39
Other	—	5
Total extraordinary income	35	148
Extraordinary losses		
Loss on sale of non-current assets	2	1
Loss on retirement of non-current assets	4	1
Loss on valuation of investment securities	—	3
Extra retirement payments	1	1
Loss on cancellation of insurance policies	—	5
Other	0	—
Total extraordinary losses	8	11
Profit before income taxes	2,449	2,001
Income taxes	648	489
Profit	1,801	1,511
Profit attributable to owners of parent	1,801	1,511

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,801	1,511
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	194
Foreign currency translation adjustment	1,258	747
Remeasurements of defined benefit plans, net of tax	20	10
Total other comprehensive income	1,252	951
Comprehensive income	3,053	2,463
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,053	2,463

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,449	2,001
Depreciation	536	499
Increase (decrease) in allowance for doubtful accounts	(21)	42
Increase (decrease) in provision for bonuses	19	6
Increase (decrease) in retirement benefit liability	(147)	(115)
Interest and dividend income	(49)	(64)
Interest expenses	29	35
Foreign exchange losses (gains)	(157)	(185)
Loss (gain) on sale of non-current assets	2	0
Loss on retirement of non-current assets	4	1
Loss (gain) on sale of investment securities	—	(3)
Loss (gain) on valuation of investment securities	—	3
Surrender value of insurance policies	(35)	(39)
Expenses for persons of temporary transfer	22	10
Gain on reversal of loss on business related to business partners	—	(102)
Decrease (increase) in trade receivables	774	1,455
Decrease (increase) in inventories	(1,950)	1,243
Increase (decrease) in trade payables	586	(1,488)
Decrease (increase) in consumption taxes refund receivable	622	814
Other, net	(646)	(470)
Subtotal	2,037	3,645
Interest and dividends received	49	64
Interest paid	(29)	(34)
Income taxes paid	(625)	(249)
Proceeds from surrender value of insurance	35	39
Net cash provided by (used in) operating activities	1,467	3,464
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(308)	(189)
Proceeds from sale of non-current assets	0	1
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	—	5
Proceeds from collection of loans receivable	—	3
Net decrease (increase) in time deposits	(62)	(95)
Other, net	(2)	138
Net cash provided by (used in) investing activities	(373)	(136)

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,300	1,300
Repayments of long-term borrowings	(1,497)	(1,481)
Repayments of lease liabilities	(123)	(141)
Purchase of treasury shares	(0)	(201)
Dividends paid	(376)	(460)
Net cash provided by (used in) financing activities	302	(985)
Effect of exchange rate change on cash and cash equivalents	542	392
Net increase (decrease) in cash and cash equivalents	1,939	2,734
Cash and cash equivalents at beginning of period	5,404	6,253
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	78
Cash and cash equivalents at end of period	7,343	9,066