

**Consolidated financial results (Japanese accounting standards)
For the 1st quarter of the fiscal year ending June 30, 2016 (Q1 FY2016)**

Company name: Hokuriku Electric Industry Co., Ltd.
 Stock code: 6989
 URL: <http://www.hdk.co.jp/>
 Stock exchange listing: Tokyo Stock Exchange
 Representative: Shinji Tsuda, President
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Scheduled date for filing annual securities report: August 10, 2016
 Scheduled date of commencement of dividend payment: -
 Supplementary documents for quarterly results: None
 Quarterly results briefing: None

(Yen in millions , rounded down)

1. Consolidated financial results for the 1st quarter of the fiscal year ending June 30, 2016
 (April 1, 2016 – June 30, 2016)

(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	%
Year ended June 30 , 2016	8,545	(27)	(68)	-	(427)	-	(508)	-
Year ended June 30 , 2015	11,702	12.8	143	404.9	287	-	251	-

(Note) Comprehensive income: (1292) millions of yen (-%) for the three months ending June 30, 2016
 389 millions of yen (-%) for the three months ended June 30, 2015

	Net income Per share	Diluted net income Per share
	Yen	Yen
Year ended June 30 , 2016	(6.06)	-
Year ended June 30 , 2015	3.00	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30 , 2016	33,610	10,684	31.8	127.47
As of March 31 , 2016	35,806	12,312	34.4	146.89

(Reference) Equity: three months ending June 30, 2016: 10,684 millions of yen
 Fiscal year ended March 31, 2016: 12,312 millions of yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	-	0.00	-	4.00	4.00
Year ending March 31, 2017	-				
Year ending March 31, 2017 (forecasts)		0.00	-	4.00	4.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(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 31,2017	38,000	(7.1)	800	(9.4)	600	(4.0)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2017	400	118.8	4.77

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

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 June 30,2016	92,500,996 shares	As of March 31,2016	92,500,996 shares
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(ii) Number of treasury stock at end of period

As of June 30,2016	8,682,790 shares	As of March 31,2016	8,680,333 shares
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(iii) Average number of shares outstanding during the term

As of June 30,2016	83,819,053 shares	As of June 30,2015	83,854,081 shares
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* Regarding the enforcement of a quarterly review

– This financial summary is not subject to a quarterly review under the Financial instruments and exchange act.

Therefore at this time ,the review of quarterly financial results in accordance with the requirements of the financial instruments and exchange act has not been completed.

* Explanation on the appropriate use of performance forecasts and other special notes

– The forward-looking statements such as result forecasts included in this document are based on the information available to the company at the time of the announcement and on certain assumptions considered reasonable.

Actual results may differ materially from the forecast depending on a range of factors.

Consolidated financial statements
 Consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 2016 (As of March 31, 2016)	First quarter ended June 2016 (As of June 30, 2016)
Assets		
Current assets		
Cash and deposits	7,047	6,233
Notes and accounts receivable - trade	7,015	7,373
Merchandise and finished goods	1,184	1,133
Work in process	2,201	2,398
Raw materials and supplies	2,131	1,581
Deferred tax assets	406	386
Other	1,769	924
Allowance for doubtful accounts	(0)	(15)
Total current assets	21,754	20,015
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,045	2,928
Machinery, equipment and vehicles, net	3,938	3,660
Land	2,877	2,872
Other, net	459	545
Total property, plant and equipment	10,320	10,007
Intangible assets	291	261
Investments and other assets		
Investment securities	1,403	1,291
Deferred tax assets	1,228	1,212
Net defined benefit asset	0	—
Other	863	874
Allowance for doubtful accounts	(55)	(52)
Total investments and other assets	3,439	3,325
Total non-current assets	14,052	13,594
Total assets	35,806	33,610

Consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 2016 (As of March 31, 2016)	First quarter ended June 2016 (As of June 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,673	6,551
Short-term loans payable	4,181	4,334
Income taxes payable	116	86
Provision for bonuses	321	487
Other	1,190	1,112
Total current liabilities	12,483	12,573
Non-current liabilities		
Long-term loans payable	5,285	4,740
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,931	4,918
Other	467	366
Total non-current liabilities	11,010	10,352
Total liabilities	23,494	22,925
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	2,056	1,212
Treasury shares	(1,143)	(1,144)
Total shareholders' equity	11,151	10,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	(7)
Revaluation reserve for land	684	684
Foreign currency translation adjustment	782	93
Remeasurements of defined benefit plans	(404)	(394)
Total accumulated other comprehensive income	1,161	376
Non-controlling interests	-	-
Total net assets	12,312	10,684
Total liabilities and net assets	35,806	33,610

Consolidated statements of income (cumulative)

(Millions of yen)

	First quarter of the year ended March 31, 2016 (April 1, 2015- June 30, 2015)	First quarter of the year ending March 31, 2017 (April 1, 2016- June 30, 2016)
Net sales	11,702	8,545
Cost of sales	10,220	7,318
Gross profit	1,482	1,226
Selling, general and administrative expenses	1,338	1,294
Operating income (loss)	143	(68)
Non-operating income		
Interest income	17	16
Dividend income	15	16
Foreign exchange gains	132	—
Insurance income	—	26
Other	23	30
Total non-operating income	189	90
Non-operating expenses		
Interest expenses	22	19
Foreign exchange losses	—	382
Other	21	46
Total non-operating expenses	44	449
Ordinary income (loss)	287	(427)
Extraordinary income		
Gain on sales of non-current assets	—	6
Subsidy income	9	8
Other	5	6
Total extraordinary income	15	21
Extraordinary losses		
Loss on disaster	—	8
Impairment loss	—	3
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	0	0
Extra retirement payments	1	—
Loss related taxation of foreign subsidiary	11	—
Other	—	0
Total extraordinary losses	14	12
Profit (loss) before income taxes	288	(417)
Income taxes	37	90
Profit (loss)	251	(508)
Loss attributable to non-controlling interests	(0)	—
Profit (loss) attributable to owners of parent	251	(508)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First quarter of the year ended March 31, 2016 (April 1, 2015- June 30, 2015)	First quarter of the year ending March 31, 2017 (April 1, 2016- June 30, 2016)
Profit (loss)	251	(508)
Other comprehensive income		
Valuation difference on available-for- sale securities	95	(105)
Deferred gains or losses on hedges	0	—
Remeasurements of defined benefit plans, net of tax	4	9
Foreign currency translation adjustment	37	(688)
Total other comprehensive income	138	(784)
Comprehensive income	389	(1,292)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	389	(1,292)
Comprehensive income attributable to non- controlling interests	0	—