

February 10, 2017

**Consolidated financial results (Japanese accounting standards)
For the 3rd quarter of the fiscal year ending December 31, 2016 (Q3 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 of securities report: February 13, 2017
 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 3rd quarter of the fiscal year ending December 31, 2016
 (April 1, 2016 – December 31, 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	%
December 31 , 2016	26,280	(17.1)	23	(96.5)	(86)	-	(177)	-
December 31 , 2015	31,702	(11.5)	668	(4.8)	760	(58.8)	461	(70.6)

(Note) Comprehensive income: (1,263) million yen (-%) for the nine months ending December 31, 2016
 (124) million yen (-%) for the nine months ended December 31, 2015

	Net income	Diluted net income
	Per share	Per share
	Yen	Yen
December 31 , 2016	(2.11)	-
December 31 , 2015	5.50	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31 , 2016	35,207	10,710	30.4	127.82
March 31 , 2016	35,806	12,312	34.4	146.89

(Reference) Equity:nine months ending December 31, 2016: 10,710 million yen
 Fiscal year ended March 31, 2016: 12,312 million 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	-	0.00	-	-	-
Year ending March 31, 2017 (forecasts)	-	-	-	3.00	3.00

(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	35,000	(14.5)	300	(66.0)	100	(84.0)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2017	10	(94.5)	0.12

(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 December 31,2016	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 December 31,2016	8,706,140 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 December 31,2016	83,812,487 shares	As of December 31,2015	83,844,504 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)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,047	5,748
Notes and accounts receivable - trade	7,015	9,200
Merchandise and finished goods	1,184	991
Work in process	2,201	2,667
Raw materials and supplies	2,131	1,658
Deferred tax assets	406	387
Other	1,769	1,168
Allowance for doubtful accounts	(0)	(16)
Total current assets	21,754	21,804
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,045	3,134
Machinery, equipment and vehicles, net	3,938	3,244
Land	2,877	2,872
Other, net	459	322
Total property, plant and equipment	10,320	9,574
Intangible assets	291	209
Investments and other assets		
Investment securities	1,403	1,635
Deferred tax assets	1,228	1,156
Net defined benefit asset	0	—
Other	863	880
Allowance for doubtful accounts	(55)	(52)
Total investments and other assets	3,439	3,618
Total non-current assets	14,052	13,403
Total assets	35,806	35,207

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,673	7,820
Short-term loans payable	4,181	4,375
Income taxes payable	116	22
Provision for bonuses	321	153
Other	1,190	1,158
Total current liabilities	12,483	13,530
Non-current liabilities		
Long-term loans payable	5,285	5,477
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,931	4,925
Other	467	236
Total non-current liabilities	11,010	10,966
Total liabilities	23,494	24,497
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	2,056	1,543
Treasury shares	(1,143)	(1,147)
Total shareholders' equity	11,151	10,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	383
Revaluation reserve for land	684	684
Foreign currency translation adjustment	782	(618)
Remeasurements of defined benefit plans	(404)	(375)
Total accumulated other comprehensive income	1,161	75
Non-controlling interests	—	—
Total net assets	12,312	10,710
Total liabilities and net assets	35,806	35,207

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	31,702	26,280
Cost of sales	27,037	22,576
Gross profit	4,665	3,703
Selling, general and administrative expenses	3,996	3,680
Operating income	668	23
Non-operating income		
Interest income	47	42
Dividend income	55	24
Foreign exchange gains	51	—
Other	76	107
Total non-operating income	231	174
Non-operating expenses		
Interest expenses	66	57
Expenses for persons of temporary transfer	41	19
Foreign exchange losses	—	137
Other	32	69
Total non-operating expenses	139	284
Ordinary income (loss)	760	(86)
Extraordinary income		
Gain on sales of non-current assets	0	15
Gain on sales of investment securities	9	—
Subsidy income	28	22
Other	5	18
Total extraordinary income	43	57
Extraordinary losses		
Impairment loss	—	3
Loss on sales of non-current assets	12	5
Loss on retirement of non-current assets	85	47
Other	18	43
Total extraordinary losses	116	98
Profit (loss) before income taxes	687	(128)
Income taxes	204	48
Profit (loss)	482	(177)
Profit attributable to non-controlling interests	21	—
Profit (loss) attributable to owners of parent	461	(177)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit (loss)	482	(177)
Other comprehensive income		
Valuation difference on available-for-sale securities	11	285
Deferred gains or losses on hedges	0	—
Remeasurements of defined benefit plans, net of tax	14	29
Foreign currency translation adjustment	(633)	(1,401)
Total other comprehensive income	(607)	(1,086)
Comprehensive income	(124)	(1,263)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(127)	(1,263)
Comprehensive income attributable to non-controlling interests	3	—