

**Consolidated financial results (Japanese accounting standards)  
For the 1st quarter of the fiscal year ending June 30, 2017 (Q1 FY2017)**

Company name: Hokuriku Electric Industry Co., Ltd.  
 Stock code: 6989  
 URL: <https://www.hdk.co.jp/>  
 Stock exchange listing: Tokyo Stock Exchange  
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Scheduled date for filing annual securities report: August 10, 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 1st quarter of the fiscal year ending June 30, 2017  
 (April 1, 2017 – June 30, 2017)

(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, 2017	10,163	18.9	28	-	79	-	135	-
Year ended June 30, 2016	8,545	(27.0)	(68)	-	(427)	-	(508)	-

(Note) Comprehensive income: 49 millions of yen (-%) for the three months ending June 30, 2017  
 (1,292) millions of yen (-%) for the three months ended June 30, 2016

	Net income Per share	Diluted net income Per share
	Yen	Yen
Year ended June 30, 2017	1.61	-
Year ended June 30, 2016	(6.06)	-

(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, 2017	36,083	11,288	31.3	134.73
As of March 31, 2017	35,640	11,491	32.2	137.15

(Reference) Equity: three months ending June 30, 2017: 11,288 millions of yen  
 Fiscal year ended March 31, 2017: 11,491 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, 2017	-	0.00	-	3.00	3.00
Year ending March 31, 2018	-				
Year ending March 31, 2018 (forecasts)		0.00	-	30.00	30.00

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

The company plans to carry out the share consolidation at the ratio of 10 shares to 1 share effective October 1, 2017. Accordingly, the year-end dividend per share (forecast) shown for the fiscal year ending March 31, 2018, is based on the number of shares outstanding after the consolidation.

For details, please refer to "Explanation regarding appropriate use of operating results forecast and other special notes."

3. Consolidated forecasts for the fiscal year ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(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, 2018	36,500	0.1	1,000	236.5	800	344.2

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31, 2018	700	529.4	83.54

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

The forecast for profit per share shown in the forecast of consolidated operating results for the year ending March 31, 2018, is based on the number of shares outstanding after the consolidation.

For details, please refer to "Explanation regarding appropriate use of operating results forecast and other special notes.

\* Notes

(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, 2017	92,500,996 shares	As of March 31, 2017	92,500,996 shares
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(ii) Number of treasury stock at end of period

As of June 30, 2017	8,713,864 shares	As of March 31, 2017	8,711,535 shares
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(iii) Average number of shares outstanding during the term

As of June 30, 2017	83,788,031 shares	As of June 30, 2016	83,819,053 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.

\* Explanation regarding appropriate use of operating results forecast and other special notes

At the 83rd ordinary general meeting of shareholders, held on June 29, 2017, a change of share unit, a resolution for a consolidation of shares was approved, and the company therefore plans to carry out the share consolidation at the ratio 10 shares to 1 share effective October 1, 2017.

The dividend forecast and forecast for net income per share are based on a amount after a resolution for a consolidation of shares.

Consolidated financial statements  
 Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	5,752	5,681
Notes and accounts receivable - trade	9,081	10,140
Merchandise and finished goods	1,249	896
Work in process	2,610	2,872
Raw materials and supplies	1,807	1,871
Deferred tax assets	331	331
Other	1,452	1,242
Allowance for doubtful accounts	(16)	(15)
Total current assets	22,268	23,021
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,196	3,086
Machinery, equipment and vehicles, net	3,269	3,050
Land	2,871	2,872
Other, net	326	302
Total property, plant and equipment	9,663	9,312
Intangible assets	225	248
Investments and other assets		
Investment securities	1,435	1,449
Deferred tax assets	1,159	1,149
Other	943	1,031
Allowance for doubtful accounts	(56)	(129)
Total investments and other assets	3,482	3,501
Total non-current assets	13,371	13,062
Total assets	35,640	36,083

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,061	7,427
Short-term loans payable	4,572	5,641
Income taxes payable	154	26
Provision for bonuses	314	474
Other	1,022	949
Total current liabilities	13,125	14,519
Non-current liabilities		
Long-term loans payable	5,573	4,903
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,882	4,814
Other	239	229
Total non-current liabilities	11,023	10,274
Total liabilities	24,149	24,794
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	1,831	1,715
Treasury shares	(1,147)	(1,148)
Total shareholders' equity	10,923	10,806
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	259	272
Revaluation reserve for land	684	684
Foreign currency translation adjustment	(62)	(166)
Remeasurements of defined benefit plans	(313)	(309)
Total accumulated other comprehensive income	568	482
Total net assets	11,491	11,288
Total liabilities and net assets	35,640	36,083

## Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	8,545	10,163
Cost of sales	7,318	8,930
Gross profit	1,226	1,232
Selling, general and administrative expenses	1,294	1,203
Operating profit (loss)	(68)	28
Non-operating income		
Interest income	16	13
Dividend income	16	35
Foreign exchange gains	—	16
Insurance income	26	—
Other	30	21
Total non-operating income	90	87
Non-operating expenses		
Interest expenses	19	19
Foreign exchange losses	382	—
Other	46	16
Total non-operating expenses	449	35
Ordinary profit (loss)	(427)	79
Extraordinary income		
Gain on sales of non-current assets	6	12
Gain on reorganization of subsidiaries and associates	—	79
Subsidy income	8	—
Other	6	16
Total extraordinary income	21	107
Extraordinary losses		
Loss on disaster	8	—
Impairment loss	3	—
Loss on retirement of non-current assets	0	1
Extra retirement payments	—	44
Other	0	0
Total extraordinary losses	12	45
Profit (loss) before income taxes	(417)	141
Income taxes	90	6
Profit (loss)	(508)	135
Profit (loss) attributable to owners of parent	(508)	135

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit (loss)	(508)	135
Other comprehensive income		
Valuation difference on available-for-sale securities	(105)	13
Foreign currency translation adjustment	(688)	(103)
Remeasurements of defined benefit plans, net of tax	9	3
Total other comprehensive income	(784)	(85)
Comprehensive income	(1,292)	49
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,292)	49