Consolidated financial results (Japanese accounting standards) For the 2nd quarter of the fiscal year ending September 30, 2017 (Q2 FY2017)

Company name:	Hokuriku Electric Industry C	o., Ltd.
Stock code:	6989	
URL:	<u>http://www.hdk.co.jp/</u>	
Stock exchange listing:	Tokyo Stock Exchange	
Representative:	Shinji Tsuda, President	
Contact:	Yoshinori Hayashi, General N	Manager, Financial Affairs Department
	Tel. +81-76-467-1111	
Scheduled date for filing of s	securities report:	November 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 2nd quarter of the fiscal year ending September 30, 2017 (April 1, 2017 - September 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 inco	ome	Ordinary inco	mo	Profit attribut	able
	Net Sales	•		JIIIe		me	to owners of p	arent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30 , 2017	21,600	29.5	573	-	680	-	612	-
September 30, 2016	16,683	(23.2)	(113)	-	(511)	-	(459)	-

(Note) Comprehensive income: 702 million yen (-%) for the six months ending September 30, 2017 (1,891) million yen (-%) for the six months ended September 30, 2016

	Net income Per share	Diluted net income Per share
	Yen	Yen
September 30 , 2017	73.16	-
September 30, 2016	(54.85)	_

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30 , 2017	38,799	11,941	30.8
March 31,2017	35,640	11,491	32.2

(Reference) Equity:six months ending September 30, 2017: 11,941 million yen Fiscal year ended March 31, 2017: 11,491 million yen

2. Dividends

	Dividend per share					
	End of	End of	End of	Fiscal	Total	
	first quarter	second quarter	third quarter	year end	Total	
	Yen	Yen	Yen	Yen	Yen	
Year ended March 31, 2017	-	0.00	-	3.00	3.00	
Year ending March 31, 2018	-	0.00				
Year ending March 31, 2018			-	30.00	30.00	
(forecasts)						

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

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	
Year ending March 31,2018	Millions of yen 40,000		Millions of yen 1,300	% 337.4	Millions of yen 1,200	% 566.4

	Profit attributa	able to	Net income
	owners of parent		per share
	Millions of yen	%	Yen
Year ending March 31,2018	1,000	799.1	119.35

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

4.0thers

(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 outstand	ling at end of period (including treasury stock)			
As of September 30,2017	9,250,099 shares As of March 31,2017	9,250,099 shares		
(ii) Number of treasury stock at end of period				
As of September 30,2017	871,753 shares As of March 31,2017	871,153 shares		
(iii) Average number of shares outstanding during the term				
As of September 30,2017	8,378,642 shares As of September 30,2016	8,381,811 shares		

* 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 substanially differ from any forecasts presented herein due to various factors.

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 carried 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

	As of March 31, 2017	As of September 30, 2017
ssets		
Current assets		
Cash and deposits	5,752	5,90
Notes and accounts receivable - trade	9, 081	11,60
Merchandise and finished goods	1,249	1,16
Work in process	2,610	2,88
Raw materials and supplies	1,807	2,32
Deferred tax assets	331	33
Other	1,452	1,44
Allowance for doubtful accounts	(16)	(16
Total current assets	22, 268	25,66
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3, 196	3,04
Machinery, equipment and vehicles,	3,269	3,09
net	5,209	3, 08
Land	2,871	2,87
Other, net	326	30
Total property, plant and equipment	9,663	9, 32
Intangible assets	225	23
Investments and other assets		
Investment securities	1, 435	1,50
Deferred tax assets	1,159	1,14
Other	943	1,06
Allowance for doubtful accounts	(56)	(129
Total investments and other assets	3, 482	3, 57
Total non-current assets	13, 371	13, 13
Total assets	35,640	38, 79

Consolidated balance sheets

Liabilities Current liabilities Notes and accounts payable - trade Short-term loans payable - trade Short-term loans payable - trade Provision for bonuses 14 Provision for bonuses 154 Provision for bonuses 11,022 Total current liabilities Long-term loans payable Long-term loans payable Long-term loans payable Long-term loans payable Deferred tax liabilities for land revaluation Net defined benefit liability 0ther Total non-current liabilities Shareholders' equity Capital stock Shareholders' equity Capital stock Shareholders' equity Accumulated other comprehensive income Valuation difference on available-for- sale securities Revaluation reserve for land Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income 20 10 10 10 10 10 10 10 10 10 1	consolituated balance sneets		(Millions of yen)
Current liabilitiesNotes and accounts payable - trade7,0618,1Notes and accounts payable4,5726,1Income taxes payable154154Provision for bonuses3141Other1,0221,1Total current liabilities13,12517,1Non-current liabilities for land revaluation3271Net defined benefit liability4,8824,1Other2391Total non-current liabilities11,0239,1Total liabilities11,0239,5Total liabilities11,0239,5Total stock5,2005,5Shareholders' equity5,0395,5Capital surplus5,0395,5Retained earnings1,8312,Treasury shares(1,147)(1,147)Total shareholders' equity2592Accumulated other comprehensive income2592Valuation difference on available-for- sale securities2590Revaluation reserve for land Remeasurements of defined benefit plans Total accumulated other comprehensive income6840		As of March 31, 2017	As of September 30, 2017
Notes and accounts payable - trade7,0618,Short-term loans payable4,5726,Income taxes payable154Provision for bonuses314314Other1,0221,Total current liabilities13,12517,Non-current liabilities5,5734,3Deferred tax liabilities for land revaluation327327Net defined benefit liability4,8824,4Other239327Total non-current liabilities11,0239,4Total liabilities11,0239,4Total liabilities11,0239,5Shareholders' equity5,0395,5Capital stock5,2005,5Capital stock5,2005,5Capital stock5,2005,5Capital stock5,2005,5Valuation difference on available-for- sale securities25932Revaluation reserve for land6840Foreign currency translation adjustment6(2)0Remeasurements of defined benefit plans Income313)(22Total accumulated other comprehensive income5680	Liabilities		
Short-term loans payable $4,572$ $6,$ Income taxes payable154Provision for bonuses314Other $1,022$ 1, Total current liabilities $13,125$ Non-current liabilities 327 Non-current liabilities for land revaluation 327 Net defined benefit liability $4,882$ Other 239 Total non-current liabilities $11,023$ Net defined benefit liabilities $24,149$ Other 239 Total non-current liabilities $11,023$ Net assets $5,039$ Shareholders' equity $5,039$ Capital stock $5,200$ Capital stock $5,039$ Total shareholders' equity $10,923$ Accumulated other comprehensive income 259 Valuation difference on available-for- sale securities 259 Revaluation reserve for land 684 Revaluation reserve for land 684 Remeasurements of defined benefit plans (313) (22) Total accumulated other comprehensive income 568	Current liabilities		
Income taxes payable154Provision for bonuses314Other1,022Total current liabilities13,125Non-current liabilities13,125Long-term loans payable5,573Deferred tax liabilities for land revaluation327Net defined benefit liability4,882Other239Total non-current liabilities11,023Met assets24,149Shareholders' equity5,039Capital stock5,200Capital stock5,039Capital stock5,039Shareholders' equity10,923Accumulated other comprehensive income259Valuation difference on available-for- sale securities259Revaluation reserve for land Remeasurements of defined benefit plans (313)684Cotal accumulated other comprehensive income684Cotal accumulated other comprehensive income688	Notes and accounts payable - trade	7,061	8,736
Provision for bonuses314Other1,022Total current liabilities13,125Long-term loans payable5,573Long-term loans payable5,573Deferred tax liabilities for land revaluation327Net defined benefit liability4,882Other239Total non-current liabilities11,023Total non-current liabilities24,149Other239Total liabilities5,039Shareholders' equity5,039Capital stock5,039Capital stock5,039Total shareholders' equity10,923Accumulated other comprehensive income259Valuation difference on available-for- sale securities259Revaluation reserve for land Foreign currency translation adjustment684Coreign currency translation adjustment income684Cotal accumulated other comprehensive income313Cotal accumulated other comprehensive income568	Short-term loans payable	4,572	6, 478
Other1,0221,1Total current liabilities13,12517,Non-current liabilities5,5734,3Long-term loans payable5,5734,3Deferred tax liabilities for land revaluation3273Net defined benefit liability4,8824,4Other2393Total non-current liabilities11,0239,Total non-current liabilities11,0239,Total liabilities24,14926,Net assets5,2005,5Capital stock5,2005,5Capital stock5,0395,5Capital stock5,0395,5Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,5Accumulated other comprehensive income2593Valuation difference on available-for- sale securities2593Revaluation reserve for land6840Foreign currency translation adjustment(62)(0Remeasurements of defined benefit plans(313)(2Total accumulated other comprehensive income5680	Income taxes payable	154	192
Total current liabilities13,12517,Non-current liabilities13,12517,Long-term loans payable5,5734,3Deferred tax liabilities for land revaluation3273Net defined benefit liability4,8824,3Other2393Total non-current liabilities11,0239,4Total liabilities24,14926,6Net assets5,2005,5Capital stock5,2005,5Capital surplus5,0395,5Retained earnings1,8312,Treasury shares(1,147)(1,147)Cal shareholders' equity10,92311,5Accumulated other comprehensive income2593Valuation difference on available-for- sale securities2593Revaluation reserve for land6840Foreign currency translation adjustment (62)(62)(62)Remeasurements of defined benefit plans Total accumulated other comprehensive income5680	Provision for bonuses	314	317
Non-current liabilitiesLong-term loans payable5, 573Long-term loans payable5, 573Long-term loans payable5, 573Deferred tax liabilities for land revaluation327Net defined benefit liability4, 882Other239Total non-current liabilities11, 023Total liabilities24, 149Net assets24, 149Shareholders' equity26, 1Capital stock5, 200Capital stock5, 200Capital surplus5, 039Retained earnings1, 831Treasury shares(1, 147)Catal shareholders' equity10, 923Accumulated other comprehensive income259Valuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment(62)Remeasurements of defined benefit plans(313)Total accumulated other comprehensive income568	Other	1,022	1, 398
Long-term loans payable5,5734,5Deferred tax liabilities for land revaluation327327Net defined benefit liability4,8824,4Other239327Total non-current liabilities11,0239,4Total liabilities24,14926,5Net assets24,14926,5Shareholders' equity5,0395,5Capital stock5,2005,5Capital surplus5,0395,6Retained earnings1,8312,7Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,5Accumulated other comprehensive income2595Valuation difference on available-for- sale securities2595Revaluation reserve for land6840Foreign currency translation adjustment Total accumulated other comprehensive income(313)(29Total accumulated other comprehensive income5680	- Total current liabilities	13, 125	17, 122
Deferred tax liabilities for land revaluation327Net defined benefit liability4,8824,323Other239327Total non-current liabilities11,0239,323Total non-current liabilities24,14926,32Net assets24,14926,32Shareholders' equity5,0395,53Capital stock5,2005,53Capital stock1,8312,53Retained earnings1,8312,53Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,53Accumulated other comprehensive income259259Valuation difference on available-for- sale securities259259Revaluation reserve for land6840Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income313)(29	Non-current liabilities		
327Net defined benefit liability4, 8824, 4Other239239Total non-current liabilities11, 0239, 7Total liabilities24, 14926, 7Net assets24, 14926, 7Shareholders' equity26, 75, 200Capital stock5, 2005, 7Capital surplus5, 0395, 6Retained earnings1, 8312, 7Treasury shares(1, 147)(1, 147)Total shareholders' equity10, 92311, 13Accumulated other comprehensive income2593Valuation difference on available-for- sale securities2593Revaluation reserve for land6846Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)(22Total accumulated other comprehensive income5686	Long-term loans payable	5, 573	4,355
Other239Total non-current liabilities11,0239,1Total liabilities24,14926,4Net assets24,14926,5Shareholders' equity5,2005,5Capital stock5,0395,6Capital surplus5,0395,6Retained earnings1,8312,7Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,5Accumulated other comprehensive income2595Valuation difference on available-for- sale securities2595Revaluation reserve for land6840Foreign currency translation adjustment Total accumulated other comprehensive income(313)(22Total accumulated other comprehensive income5680	Deferred tax liabilities for land	327	327
Total non-current liabilities11,0239,7Total liabilities24,14926,3Net assets24,14926,4Shareholders' equity20,145,200Capital stock5,2005,5Capital surplus5,0395,6Retained earnings1,8312,7Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,3Accumulated other comprehensive income2593Valuation difference on available-for- sale securities2593Revaluation reserve for land6846Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income313)(24Capital accumulated other comprehensive income5686	Net defined benefit liability	4,882	4,835
Total liabilities24,14926,3Net assetsShareholders' equityCapital stock5,200Capital surplus5,039Retained earnings1,831Treasury shares(1,147)Total shareholders' equity10,923Accumulated other comprehensive income259Valuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)Capital accumulated other comprehensive income568	Other	239	217
Total liabilities24,14926,3Net assetsShareholders' equityCapital stock5,2005,3Capital stock5,0395,45,0395,6Capital surplus1,8312,71,8312,7Retained earnings1,147(1,147)(1,147)1,147Total shareholders' equity10,92311,331,331,33Accumulated other comprehensive income259259259259259Revaluation reserve for land684684662(4)Foreign currency translation adjustment(62)(4)(4)Remeasurements of defined benefit plans(313)(2)(2)Total accumulated other comprehensive income568668668		11,023	9,735
Net assetsShareholders' equityCapital stock5, 200Capital surplus5, 039Retained earnings1, 831Treasury shares(1, 147)Total shareholders' equity10, 923Accumulated other comprehensive incomeValuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)Capital stock568	_ Total liabilities		26,858
Capital stock5,2005,5Capital surplus5,0395,0Retained earnings1,8312,0Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,0Accumulated other comprehensive income2593Valuation difference on available-for- sale securities2593Revaluation reserve for land6840Foreign currency translation adjustment Total accumulated other comprehensive income(313)(29)Total accumulated other comprehensive 	Net assets		
Capital stock5,2005,5Capital surplus5,0395,0Retained earnings1,8312,0Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,0Accumulated other comprehensive income2593Valuation difference on available-for- sale securities6840Revaluation reserve for land6840Foreign currency translation adjustment Total accumulated other comprehensive income(313)(29)Total accumulated other comprehensive income5680	Shareholders' equity		
Retained earnings1,8312,Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,147Accumulated other comprehensive income259259Valuation difference on available-for- sale securities259259Revaluation reserve for land6840Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)(29)State5680		5,200	5,200
Retained earnings1,8312,Treasury shares(1,147)(1,147)Total shareholders' equity10,92311,147Accumulated other comprehensive income259259Valuation difference on available-for- sale securities259259Revaluation reserve for land6840Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)(29)State5680	-		5,039
Total shareholders' equity10,92311,5Accumulated other comprehensive incomeValuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)Total accumulated other comprehensive income568		1,831	2, 193
Total shareholders' equity10,92311,5Accumulated other comprehensive incomeValuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)Total accumulated other comprehensive income568	Treasury shares	(1, 147)	(1, 148)
Accumulated other comprehensive incomeValuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income(313)Total accumulated other comprehensive income568			11,283
Valuation difference on available-for- sale securities259Revaluation reserve for land684Foreign currency translation adjustment(62)Remeasurements of defined benefit plans(313)Total accumulated other comprehensive income568	—	,	
Foreign currency translation adjustment(62)(4Remeasurements of defined benefit plans(313)(29Total accumulated other comprehensive income568(4	Valuation difference on available-for-	259	314
Remeasurements of defined benefit plans(313)(29)Total accumulated other comprehensive income5680	Revaluation reserve for land	684	684
Remeasurements of defined benefit plans(313)(29)Total accumulated other comprehensive income5680	Foreign currency translation adjustment	(62)	(43)
Total accumulated other comprehensive 568			(298)
	Total accumulated other comprehensive	568	65
	Total net assets	11,491	11,94
		,	38, 79

Hokuriku Electric Industry Co.,Ltd.

Consolidated statements of income (cumulative)

(Millions of yen)

		· · · · · · · · · · · · · · · · · · ·
	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	16,683	21,600
Cost of sales	14, 365	18, 553
- Gross profit	2, 318	3,047
Selling, general and administrative expenses	2,432	2,474
Operating profit (loss)	(113)	573
Non-operating income		
Interest income	27	29
Dividend income	17	38
Foreign exchange gains	_	69
Other	87	50
- Total non-operating income	132	187
Non-operating expenses		
Interest expenses	39	41
Foreign exchange losses	424	_
Other	66	39
- Total non-operating expenses	530	80
Ordinary profit (loss)	(511)	680
Extraordinary income		
Gain on adjustment of account payable	_	76
Gain on sales of non-current assets	8	13
Gain on reorganization of subsidiaries		70
and associates		79
Subsidy income	15	—
Other	16	27
 Total extraordinary income	40	196
- Extraordinary losses		
Loss on disaster	12	
Impairment loss	3	—
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	1	5
Extra retirement payments	8	45
Other	0	0
Total extraordinary losses	25	52
Profit (loss) before income taxes	(496)	824
Income taxes	(36)	211
Profit (loss)	(459)	612
Profit (loss) attributable to owners of parent	(459)	612

Hokuriku Electric Industry Co.,Ltd.

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit (loss)	(459)	612
Other comprehensive income		
Valuation difference on available-for- sale securities	23	55
Foreign currency translation adjustment	(1, 475)	18
Remeasurements of defined benefit plans, net of tax	19	14
Total other comprehensive income	(1, 431)	89
 Comprehensive income	(1, 891)	702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1, 891)	702

Consolidated statements of cash flows

Hokuriku Electric Industry Co., Ltd.

		(Millions of yen
	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	(496)	82
Depreciation	659	57
Impairment loss	3	
Increase (decrease) in allowance for doubtful accounts	11	
Increase (decrease) in provision for bonuses	(0)	
Increase (decrease) in net defined benefit liability	(37)	(4
Interest and dividend income	(45)	(67
Interest expenses	39	
Foreign exchange losses (gains)	61	18
Loss (gain) on sales of non-current assets	(8)	(12
Loss on retirement of non-current assets	1	
Premium severance pay	8	2
Subsidy income	(15)	
Decrease (increase) in notes and accounts receivable - trade	(732)	(2, 57)
Decrease (increase) in inventories	(7)	(83)
Increase (decrease) in notes and accounts payable - trade	(12)	1,60
Decrease (increase) in consumption taxes refund receivable	458	33
Other, net	719	(113
Subtotal	604	,
Interest and dividend income received	45	
Interest expenses paid	(39)	(4
Income taxes paid	(98)	(174
Payment of premium severance pay	(8)	(4)
Proceeds from compensation	1	
Net cash provided by (used in) operating activities	504	(11)
Cash flows from investing activities		
Purchase of non-current assets	(535)	(25)
Proceeds from sales of non-current assets	10	34
Purchase of investment securities	(0)	(!
Payments of loans receivable	(12)	
Collection of loans receivable	9	
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(6)
Net decrease (increase) in time deposits	200	{
Other, net	8	(58
Net cash provided by (used in) investing activities	(318)	2

(Millions of yen)

Consolidated statements of cash flows

Hokuriku Electric Industry Co., Ltd.

		(Millions of yen)
	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	847	2, 156
Repayments of long-term loans payable	(1, 349)	(1, 395)
Repayments of lease obligations	(70)	(56)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(335)	(251)
Other, net	(0)	—
Net cash provided by (used in) financing activities	(907)	451
Effect of exchange rate change on cash and cash equivalents	(553)	(201)
Net increase (decrease) in cash and cash equivalents	(1, 276)	175
Cash and cash equivalents at beginning of period	5, 701	4,610
Cash and cash equivalents at end of period	4, 424	4,786