

**Consolidated financial results (Japanese accounting standards)
For the 3rd quarter of the fiscal year ending December 31, 2017 (Q3 FY2017)**

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, 2018
 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, 2017
 (April 1, 2017 – December 31, 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	%
December 31 , 2017	33,317	26.8	1,044	–	1,149	–	961	–
December 31 , 2016	26,280	(17.1)	23	(96.5)	(86)	–	(177)	–

(Note) Comprehensive income: 1,371 million yen (–%) for the nine months ending December 31, 2017
 (1,263) million yen (–%) for the nine months ended December 31, 2016

	Net income Per share		Diluted net income Per share	
	Yen		Yen	
December 31 , 2017	114.75		–	
December 31 , 2016	(21.13)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2017	40,780	12,608	30.9
March 31 , 2017	35,640	11,491	32.2

(Reference) Equity:nine months ending December 31, 2017 : 12,608 million yen
 Fiscal year ended March 31, 2017 : 11,491 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, 2017	–	0.00	–	3.00	3.00
Year ending March 31, 2018	–	0.00	–		
Year ending March 31, 2018 (forecasts)				30.00	30.00

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31,2018	40,000	9.7	1,300	337.4	1,200	566.4

	Profit attributable to owners of parent		Net income 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: 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 31,2017	9,250,099 shares	As of March 31,2017	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of December 31,2017	872,610 shares	As of March 31,2017	871,153 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2017	8,378,338 shares	As of December 31,2016	8,381,248 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.

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

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	5,752	8,042
Notes and accounts receivable - trade	9,081	10,897
Merchandise and finished goods	1,249	1,411
Work in process	2,610	2,411
Raw materials and supplies	1,807	2,622
Deferred tax assets	331	338
Other	1,452	1,733
Allowance for doubtful accounts	(16)	(17)
Total current assets	22,268	27,440
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,196	3,011
Machinery, equipment and vehicles, net	3,269	3,276
Land	2,871	2,869
Other, net	326	308
Total property, plant and equipment	9,663	9,465
Intangible assets	225	230
Investments and other assets		
Investment securities	1,435	1,560
Deferred tax assets	1,159	1,106
Other	943	1,108
Allowance for doubtful accounts	(56)	(129)
Total investments and other assets	3,482	3,644
Total non-current assets	13,371	13,340
Total assets	35,640	40,780

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,061	8,545
Short-term loans payable	4,572	6,548
Income taxes payable	154	256
Provision for bonuses	314	143
Other	1,022	1,752
Total current liabilities	13,125	17,245
Non-current liabilities		
Long-term loans payable	5,573	5,375
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,882	4,868
Other	239	354
Total non-current liabilities	11,023	10,926
Total liabilities	24,149	28,172
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	1,831	2,542
Treasury shares	(1,147)	(1,150)
Total shareholders' equity	10,923	11,631
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	259	352
Revaluation reserve for land	684	684
Foreign currency translation adjustment	(62)	227
Remeasurements of defined benefit plans	(313)	(287)
Total accumulated other comprehensive income	568	977
Total net assets	11,491	12,608
Total liabilities and net assets	35,640	40,780

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	26,280	33,317
Cost of sales	22,576	28,486
Gross profit	3,703	4,830
Selling, general and administrative expenses	3,680	3,785
Operating profit	23	1,044
Non-operating income		
Interest income	42	43
Dividend income	24	42
Foreign exchange gains	—	74
Other	107	69
Total non-operating income	174	229
Non-operating expenses		
Interest expenses	57	62
Expenses for persons of temporary transfer	19	21
Foreign exchange losses	137	—
Other	69	41
Total non-operating expenses	284	124
Ordinary profit (loss)	(86)	1,149
Extraordinary income		
Gain on adjustment of account payable	—	76
Gain on sales of non-current assets	15	13
Gain on sales of investment securities	—	29
Gain on reorganization of subsidiaries and associates	—	79
Subsidy income	22	—
Other	18	29
Total extraordinary income	57	227
Extraordinary losses		
Impairment loss	3	13
Loss on sales of non-current assets	5	0
Loss on retirement of non-current assets	47	13
Extra retirement payments	19	47
Other	23	4
Total extraordinary losses	98	80
Profit (loss) before income taxes	(128)	1,296
Income taxes	48	335
Profit (loss)	(177)	961
Profit (loss) attributable to owners of parent	(177)	961

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit (loss)	(177)	961
Other comprehensive income		
Valuation difference on available-for-sale securities	285	93
Foreign currency translation adjustment	(1,401)	290
Remeasurements of defined benefit plans, net of tax	29	26
Total other comprehensive income	(1,086)	409
Comprehensive income	(1,263)	1,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,263)	1,371