

**Consolidated financial results (Japanese accounting standards)
For the 1st quarter of the fiscal year ending June 30, 2018 (Q1 FY2018)**

Company name: Hokuriku Electric Industry Co., Ltd.
 Stock code: 6989
 URL: <https://www.hdk.co.jp/>
 Stock exchange listing: Tokyo Stock Exchange
 Representative: Morio Tada, President
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Scheduled date for filing annual securities report: August 10, 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 1st quarter of the fiscal year ending June 30, 2018
 (April 1, 2018 – June 30, 2018)

(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, 2018	9,751	(4.1)	46	60.5	354	343.7	(10)	-
Year ended June 30, 2017	10,163	18.9	28	-	79	-	135	-

(Note) Comprehensive income: (149) millions of yen (-%) for the three months ending June 30, 2018
 49 millions of yen (-%) for the three months ended June 30, 2017

	Net income Per share	Diluted net income Per share
	Yen	Yen
Year ended June 30, 2018	(1.24)	-
Year ended June 30, 2017	16.12	-

(Note) The company conducted a share consolidation at a ratio of 10 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, Net income per share is calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	36,811	12,215	33.2
As of March 31, 2018	40,640	12,616	31.0

(Reference) Equity: three months ending June 30, 2018: 12,215 millions of yen
 Fiscal year ended March 31, 2018: 12,616 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, 2018	-	0.00	-	30.00	30.00
Year ending March 31, 2019	-				
Year ending March 31, 2019 (forecasts)		0.00	-	30.00	30.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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, 2019	40,000	(8.7)	1,000	(21.8)	1,000	7.1

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31, 2019	600	(45.5)	71.62

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

* 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

① Changes in accounting policies caused by revision of accounting standards: None

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of shares outstanding (common stock):

① Number of shares outstanding at end of period (including treasury stock)

As of June 30, 2018	9,250,099 shares	As of March 31, 2018	9,250,099 shares
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② Number of treasury stock at end of period

As of June 30, 2018	873,334 shares	As of March 31, 2018	873,115 shares
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③ Average number of shares outstanding during the term

As of June 30, 2018	8,376,830 shares	As of June 30, 2017	8,378,803 shares
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(Note) The company conducted a share consolidation at a ratio of 10 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, Number of shares outstanding at end of period, Number of treasury stock at end of period, Average number of shares outstanding during the term are calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.

* 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.

Consolidated financial statements
 Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	8,937	6,054
Notes and accounts receivable - trade	9,769	9,854
Merchandise and finished goods	1,158	1,360
Work in process	2,601	2,632
Raw materials and supplies	2,755	2,563
Other	1,963	824
Allowance for doubtful accounts	(15)	(16)
Total current assets	27,169	23,273
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,722	2,705
Machinery, equipment and vehicles, net	3,449	3,528
Land	2,864	2,863
Other, net	342	318
Total property, plant and equipment	9,378	9,417
Intangible assets	199	186
Investments and other assets		
Investment securities	1,350	1,376
Deferred tax assets	1,511	1,496
Other	1,152	1,185
Allowance for doubtful accounts	(122)	(124)
Total investments and other assets	3,892	3,933
Total non-current assets	13,470	13,537
Total assets	40,640	36,811

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,317	7,260
Short-term loans payable	7,505	4,132
Income taxes payable	132	71
Provision for bonuses	406	614
Other	1,184	1,565
Total current liabilities	16,545	13,645
Non-current liabilities		
Long-term loans payable	5,812	5,222
Deferred tax liabilities	6	4
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,876	4,848
Other	453	547
Total non-current liabilities	11,477	10,950
Total liabilities	28,023	24,596
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	2,682	2,420
Treasury shares	(1,150)	(1,151)
Total shareholders' equity	11,770	11,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	173	196
Revaluation reserve for land	684	684
Foreign currency translation adjustment	292	115
Remeasurements of defined benefit plans	(303)	(289)
Total accumulated other comprehensive income	846	707
Total net assets	12,616	12,215
Total liabilities and net assets	40,640	36,811

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	10,163	9,751
Cost of sales	8,930	8,425
Gross profit	1,232	1,325
Selling, general and administrative expenses	1,203	1,279
Operating profit	28	46
Non-operating income		
Interest income	13	18
Dividend income	35	39
Foreign exchange gains	16	258
Other	21	32
Total non-operating income	87	348
Non-operating expenses		
Interest expenses	19	22
Other	16	17
Total non-operating expenses	35	40
Ordinary profit	79	354
Extraordinary income		
Gain on sales of non-current assets	12	—
Gain on reorganization of subsidiaries and associates	79	—
Other	16	3
Total extraordinary income	107	3
Extraordinary losses		
Loss on sales of non-current assets	—	1
Loss on retirement of non-current assets	1	4
Extra retirement payments	44	1
Litigation settlement	—	320
Other	0	0
Total extraordinary losses	45	328
Profit before income taxes	141	30
Income taxes	6	40
Profit (loss)	135	(10)
Profit (loss) attributable to owners of parent	135	(10)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit (loss)	135	(10)
Other comprehensive income		
Valuation difference on available-for-sale securities	13	22
Foreign currency translation adjustment	(103)	(176)
Remeasurements of defined benefit plans, net of tax	3	14
Total other comprehensive income	(85)	(139)
Comprehensive income	49	(149)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	49	(149)