

Consolidated financial results (Japanese accounting standards)
For the 3rd quarter of the fiscal year ending December 31, 2018 (Q3 FY2018)

Company name: Hokuriku Electric Industry Co., Ltd.
 Stock code: 6989
 URL: <http://www.hdk.co.jp/>
 Stock exchange listing: Tokyo Stock Exchange
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Scheduled date for filing of securities report: February 12, 2019
 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, 2018
 (April 1, 2018 – December 31, 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	%
December 31 , 2018	33,194	(0.4)	774	(25.8)	1,067	(7.2)	557	(42.0)
December 31 , 2017	33,317	26.8	1,044	–	1,149	–	961	–

(Note) Comprehensive income: 103 million yen ((92.5%)) for the nine months ending December 31, 2018
 1,371 million yen (–%) for the nine months ended December 31, 2017

	Net income		Diluted net income	
	Per share		Per share	
	Yen		Yen	
December 31 , 2018	66.60		–	
December 31 , 2017	114.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2018	41,083	12,468	30.3
March 31 , 2018	40,640	12,616	31.0

(Reference) Equity:nine months ending December 31, 2018: 12,468 million yen
 Fiscal year ended March 31, 2018: 12,616 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, 2018	–	0.00	–	30.00	30.00
Year ending March 31, 2019	–	0.00	–		
Year ending March 31, 2019 (forecasts)				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	44,000	0.4	1,300	1.7	1,200	28.6

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2019	650	(41.0)	77.60

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

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 31,2018	9,250,099 shares	As of March 31,2018	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of December 31,2018	873,614 shares	As of March 31,2018	873,115 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2018	8,376,696 shares	As of December 31,2017	8,378,338 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.

Consolidated financial statements
 Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	8,937	7,034
Notes and accounts receivable - trade	9,769	11,487
Merchandise and finished goods	1,158	1,282
Work in process	2,601	3,173
Raw materials and supplies	2,755	3,008
Other	1,963	1,552
Allowance for doubtful accounts	(15)	(16)
Total current assets	27,169	27,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,722	2,631
Machinery, equipment and vehicles, net	3,449	3,505
Land	2,864	2,860
Other, net	342	342
Total property, plant and equipment	9,378	9,339
Intangible assets	199	214
Investments and other assets		
Investment securities	1,350	1,370
Deferred tax assets	1,511	1,538
Other	1,152	1,223
Allowance for doubtful accounts	(122)	(124)
Total investments and other assets	3,892	4,007
Total non-current assets	13,470	13,561
Total assets	40,640	41,083

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,317	8,193
Short-term loans payable	7,505	6,621
Income taxes payable	132	126
Provision for bonuses	406	187
Other	1,184	1,343
Total current liabilities	16,545	16,473
Non-current liabilities		
Long-term loans payable	5,812	6,415
Deferred tax liabilities	6	2
Deferred tax liabilities for land revaluation	327	327
Net defined benefit liability	4,876	4,781
Other	453	615
Total non-current liabilities	11,477	12,142
Total liabilities	28,023	28,615
Net assets		
Shareholders' equity		
Capital stock	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	2,682	2,988
Treasury shares	(1,150)	(1,151)
Total shareholders' equity	11,770	12,076
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	173	(41)
Revaluation reserve for land	684	685
Foreign currency translation adjustment	292	10
Remeasurements of defined benefit plans	(303)	(261)
Total accumulated other comprehensive income	846	392
Total net assets	12,616	12,468
Total liabilities and net assets	40,640	41,083

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	33,317	33,194
Cost of sales	28,486	28,649
Gross profit	4,830	4,545
Selling, general and administrative expenses	3,785	3,770
Operating profit	1,044	774
Non-operating income		
Interest income	43	50
Dividend income	42	46
Foreign exchange gains	74	257
Other	69	102
Total non-operating income	229	457
Non-operating expenses		
Interest expenses	62	71
Other	62	93
Total non-operating expenses	124	165
Ordinary profit	1,149	1,067
Extraordinary income		
Gain on adjustment of account payable	76	—
Gain on sales of non-current assets	13	0
Gain on reorganization of subsidiaries and associates	79	—
Surrender value of insurance	26	19
Other	32	1
Total extraordinary income	227	21
Extraordinary losses		
Impairment loss	13	—
Loss on sales of non-current assets	0	8
Loss on retirement of non-current assets	13	8
Extra retirement payments	47	4
Litigation settlement	—	320
Other	4	0
Total extraordinary losses	80	342
Profit before income taxes	1,296	746
Income taxes	335	188
Profit	961	557
Profit attributable to owners of parent	961	557

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	961	557
Other comprehensive income		
Valuation difference on available-for-sale securities	93	(215)
Foreign currency translation adjustment	290	(281)
Remeasurements of defined benefit plans, net of tax	26	42
Total other comprehensive income	409	(454)
Comprehensive income	1,371	103
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,371	103