

**Consolidated financial results (Japanese accounting standards)  
For the 1st quarter of the fiscal year ending June 30, 2019 (Q1 FY2019)**

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 9, 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 1st quarter of the fiscal year ending June 30, 2019  
 (April 1, 2019 – June 30, 2019)

(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, 2019	10,334	6.0	267	478.4	181	(48.9)	106	-
Year ended June 30, 2018	9,751	(4.1)	46	60.5	354	343.7	(10)	-

(Note) Comprehensive income: 27 millions of yen (-%) for the three months ending June 30, 2019  
 (149) millions of yen (-%) for the three months ended June 30, 2018

	Net income Per share	Diluted net income Per share
	Yen	Yen
Year ended June 30, 2019	12.68	-
Year ended June 30, 2018	(1.24)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	38,668	12,417	32.1
As of March 31, 2019	40,491	12,641	31.2

(Reference) Equity: three months ending June 30, 2019: 12,409 millions of yen  
 Fiscal year ended March 31, 2019: 12,633 millions of yen

2. Dividends

	Dividend per share					Total
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end		
	Yen	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	-	0.00	-	30.00	30.00	
Year ending March 31, 2020	-					
Year ending March 31, 2020 (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, 2020 (April 1, 2019 – March 31, 2020)

(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, 2020	44,000	(2.3)	1,400	4.2	1,300	(16.9)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31, 2020	900	15.9	107.45

(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, 2019	9,250,099 shares	As of March 31, 2019	9,250,099 shares
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② Number of treasury stock at end of period

As of June 30, 2019	874,133 shares	As of March 31, 2019	874,133 shares
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③ Average number of shares outstanding during the term

As of June 30, 2019	8,375,966 shares	As of June 30, 2018	8,376,830 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, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	5,257	6,572
Notes and accounts receivable - trade	13,259	10,221
Merchandise and finished goods	1,443	1,713
Work in process	2,828	2,984
Raw materials and supplies	2,533	2,625
Other	1,695	771
Allowance for doubtful accounts	(16)	(21)
Total current assets	27,000	24,867
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,585	2,595
Machinery, equipment and vehicles, net	3,545	3,776
Land	2,921	2,919
Other, net	292	284
Total property, plant and equipment	9,344	9,576
Intangible assets	388	538
Investments and other assets		
Investment securities	1,141	1,038
Deferred tax assets	1,423	1,462
Other	1,386	1,378
Allowance for doubtful accounts	(194)	(192)
Total investments and other assets	3,757	3,686
Total non-current assets	13,490	13,801
Total assets	40,491	38,668

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,601	6,341
Short-term borrowings	6,575	6,220
Income taxes payable	227	136
Provision for bonuses	404	627
Other	1,448	1,909
Total current liabilities	16,256	15,236
Non-current liabilities		
Long-term borrowings	5,895	5,254
Lease obligations	483	606
Deferred tax liabilities	3	2
Deferred tax liabilities for land revaluation	327	327
Retirement benefit liability	4,754	4,699
Other	128	125
Total non-current liabilities	11,593	11,015
<b>Total liabilities</b>	<b>27,850</b>	<b>26,251</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,038	5,038
Retained earnings	3,207	3,062
Treasury shares	(1,152)	(1,152)
Total shareholders' equity	12,294	12,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7)	(87)
Revaluation reserve for land	685	685
Foreign currency translation adjustment	(75)	(86)
Remeasurements of defined benefit plans	(262)	(250)
Total accumulated other comprehensive income	339	260
Non-controlling interests	7	7
<b>Total net assets</b>	<b>12,641</b>	<b>12,417</b>
<b>Total liabilities and net assets</b>	<b>40,491</b>	<b>38,668</b>

## Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	9,751	10,334
Cost of sales	8,425	8,816
Gross profit	1,325	1,517
Selling, general and administrative expenses	1,279	1,249
Operating profit	46	267
Non-operating income		
Interest income	18	16
Dividend income	39	41
Foreign exchange gains	258	—
Other	32	31
Total non-operating income	348	90
Non-operating expenses		
Interest expenses	22	17
Foreign exchange losses	—	137
Other	17	22
Total non-operating expenses	40	176
Ordinary profit	354	181
Extraordinary income		
Gain on sales of non-current assets	—	0
Insurance claim income	—	1
Other	3	—
Total extraordinary income	3	1
Extraordinary losses		
Loss on sales of non-current assets	1	—
Loss on retirement of non-current assets	4	0
Litigation settlement	320	—
Other	2	—
Total extraordinary losses	328	0
Profit before income taxes	30	182
Income taxes	40	76
Profit (loss)	(10)	106
Profit attributable to non-controlling interests	—	0
Profit (loss) attributable to owners of parent	(10)	106

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit (loss)	(10)	106
Other comprehensive income		
Valuation difference on available-for-sale securities	22	(80)
Foreign currency translation adjustment	(176)	(10)
Remeasurements of defined benefit plans, net of tax	14	11
Total other comprehensive income	(139)	(79)
Comprehensive income	(149)	27
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(149)	26
Comprehensive income attributable to non-controlling interests	—	0