

**Consolidated financial results (Japanese accounting standards)**  
**For the 3rd quarter of the fiscal year ending December 31, 2019 (Q3 FY2019)**

Company name: Hokuriku Electric Industry Co., Ltd.  
 Stock code: 6989  
 URL: <http://www.hdk.co.jp/>  
 Stock exchange listing: Tokyo Stock Exchange  
 Representative: Morio Tada, President  
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Scheduled date for filing of securities report: February 10, 2020  
 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, 2019  
 (April 1, 2019 – December 31, 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	%
December 31 , 2019	29,596	(10.8)	729	(5.9)	756	(29.2)	565	1.4
December 31 , 2018	33,194	(0.4)	774	(25.8)	1,067	(7.2)	557	(42.0)

(Note) Comprehensive income: 231 million yen (124.6%) for the nine months ending December 31, 2019  
 103 million yen ((92.5)%) for the nine months ended December 31, 2018

	Net income		Diluted net income	
	Per share		Per share	
	Yen		Yen	
December 31 , 2019	67.54		–	
December 31 , 2018	66.60		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2019	35,455	12,610	35.6
March 31 , 2019	40,491	12,641	31.2

(Reference) Equity:nine months ending December 31, 2019: 12,610 million yen  
 Fiscal year ended March 31, 2019: 12,633 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, 2019	–	0.00	–	30.00	30.00
Year ending March 31, 2020	–	0.00	–		
Year ending March 31, 2020 (forecasts)				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	39,000	(13.4)	800	(40.5)	800	(48.9)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2020	600	(22.7)	71.64

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

As of December 31,2019	877,710 shares	As of March 31,2019	874,133 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2019	8,375,439 shares	As of December 31,2018	8,376,696 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 December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	5,257	7,656
Notes and accounts receivable - trade	13,259	7,327
Merchandise and finished goods	1,443	1,453
Work in process	2,828	2,389
Raw materials and supplies	2,533	1,982
Other	1,695	1,032
Allowance for doubtful accounts	(16)	(16)
Total current assets	27,000	21,825
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,585	2,599
Machinery, equipment and vehicles, net	3,545	3,609
Land	2,921	2,919
Other, net	292	288
Total property, plant and equipment	9,344	9,417
Intangible assets	388	493
Investments and other assets		
Investment securities	1,141	1,142
Deferred tax assets	1,423	1,431
Other	1,386	1,340
Allowance for doubtful accounts	(194)	(194)
Total investments and other assets	3,757	3,719
Total non-current assets	13,490	13,629
Total assets	40,491	35,455

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,601	5,214
Short-term borrowings	6,575	3,904
Income taxes payable	227	106
Provision for bonuses	404	177
Other	1,448	1,566
Total current liabilities	16,256	10,969
Non-current liabilities		
Long-term borrowings	5,895	6,236
Lease obligations	483	522
Deferred tax liabilities	3	2
Deferred tax liabilities for land revaluation	327	327
Retirement benefit liability	4,754	4,660
Other	128	126
Total non-current liabilities	11,593	11,876
<b>Total liabilities</b>	<b>27,850</b>	<b>22,845</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,038	5,039
Retained earnings	3,207	3,521
Treasury shares	(1,152)	(1,156)
Total shareholders' equity	12,294	12,604
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7)	(47)
Revaluation reserve for land	685	685
Foreign currency translation adjustment	(75)	(405)
Remeasurements of defined benefit plans	(262)	(227)
Total accumulated other comprehensive income	339	5
Non-controlling interests	7	—
<b>Total net assets</b>	<b>12,641</b>	<b>12,610</b>
<b>Total liabilities and net assets</b>	<b>40,491</b>	<b>35,455</b>

## Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	33,194	29,596
Cost of sales	28,649	25,117
Gross profit	4,545	4,479
Selling, general and administrative expenses	3,770	3,750
Operating profit	774	729
Non-operating income		
Interest income	50	51
Dividend income	46	48
Foreign exchange gains	257	—
Other	102	100
Total non-operating income	457	200
Non-operating expenses		
Interest expenses	71	53
Foreign exchange losses	—	20
Other	93	99
Total non-operating expenses	165	173
Ordinary profit	1,067	756
Extraordinary income		
Gain on sales of non-current assets	0	1
Surrender value of insurance policies	19	6
Other	1	1
Total extraordinary income	21	9
Extraordinary losses		
Loss on sales of non-current assets	8	—
Loss on retirement of non-current assets	8	25
Litigation settlement	320	—
Other	5	3
Total extraordinary losses	342	28
Profit before income taxes	746	736
Income taxes	188	170
Profit	557	566
Profit attributable to non-controlling interests	—	0
Profit attributable to owners of parent	557	565

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	557	566
Other comprehensive income		
Valuation difference on available-for-sale securities	(215)	(39)
Foreign currency translation adjustment	(281)	(329)
Remeasurements of defined benefit plans, net of tax	42	35
Total other comprehensive income	(454)	(334)
Comprehensive income	103	231
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	103	231
Comprehensive income attributable to non-controlling interests	—	0