

**Consolidated financial results (Japanese accounting standards)
For the 1st quarter of the fiscal year ending June 30, 2020 (Q1 FY2020)**

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 7, 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 1st quarter of the fiscal year ending June 30, 2020
 (April 1, 2020 – June 30, 2020)

(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, 2020	6,998	(32.3)	(124)	-	(95)	-	(274)	-
Year ended June 30, 2019	10,334	6.0	267	478.4	181	(48.9)	106	-

(Note) Comprehensive income: (280) millions of yen (-%) for the three months ending June 30, 2020
 27 millions of yen (-%) for the three months ended June 30, 2019

	Net income Per share	Diluted net income Per share
	Yen	Yen
Year ended June 30, 2020	(32.77)	-
Year ended June 30, 2019	12.68	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	34,093	12,125	35.6
As of March 31, 2020	34,945	12,656	36.2

(Reference) Equity: three months ending June 30, 2020: 12,125 millions of yen
 Fiscal year ended March 31, 2020: 12,656 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, 2020	-	0.00	-	30.00	30.00	30.00
Year ending March 31, 2021	-					
Year ending March 31, 2021 (forecasts)		0.00	-	30.00	30.00	30.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	31,500	(18.6)	150	(82.0)	250	(72.8)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31, 2021	50	(92.5)	5.97

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

* 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, 2020	9,250,099 shares	As of March 31, 2020	9,250,099 shares
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② Number of treasury stock at end of period

As of June 30, 2020	878,340 shares	As of March 31, 2020	878,280 shares
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③ Average number of shares outstanding during the term

As of June 30, 2020	8,371,789 shares	As of June 30, 2019	8,375,966 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	7,228	7,164
Notes and accounts receivable - trade	7,648	7,075
Merchandise and finished goods	1,183	1,467
Work in process	2,315	2,515
Raw materials and supplies	1,788	2,124
Other	1,279	548
Allowance for doubtful accounts	(15)	(15)
Total current assets	21,428	20,880
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,646	2,597
Machinery, equipment and vehicles, net	3,555	3,405
Land	2,917	2,917
Other, net	309	285
Total property, plant and equipment	9,428	9,206
Intangible assets	498	468
Investments and other assets		
Investment securities	983	980
Deferred tax assets	1,434	1,388
Other	1,359	1,269
Allowance for doubtful accounts	(188)	(99)
Total investments and other assets	3,589	3,538
Total non-current assets	13,516	13,212
Total assets	34,945	34,093

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,526	5,470
Short-term borrowings	3,640	4,156
Income taxes payable	172	—
Provision for bonuses	390	597
Other	1,304	1,188
Total current liabilities	11,034	11,412
Non-current liabilities		
Long-term borrowings	5,697	5,040
Lease obligations	476	463
Deferred tax liabilities	0	1
Deferred tax liabilities for land revaluation	327	327
Retirement benefit liability	4,631	4,601
Other	121	121
Total non-current liabilities	11,254	10,555
Total liabilities	22,289	21,968
Net assets		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	3,619	3,094
Treasury shares	(1,156)	(1,156)
Total shareholders' equity	12,701	12,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(181)	30
Revaluation reserve for land	685	685
Foreign currency translation adjustment	(361)	(591)
Remeasurements of defined benefit plans	(187)	(175)
Total accumulated other comprehensive income	(45)	(51)
Total net assets	12,656	12,125
Total liabilities and net assets	34,945	34,093

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	10,334	6,998
Cost of sales	8,816	6,024
Gross profit	1,517	974
Selling, general and administrative expenses	1,249	1,098
Operating profit (loss)	267	(124)
Non-operating income		
Interest income	16	14
Dividend income	41	12
Reversal of allowance for doubtful accounts	—	70
Other	31	46
Total non-operating income	90	144
Non-operating expenses		
Interest expenses	17	12
Expenses for suspension of business	—	64
Foreign exchange losses	137	24
Other	22	14
Total non-operating expenses	176	115
Ordinary profit (loss)	181	(95)
Extraordinary income		
Gain on sales of non-current assets	0	0
Insurance claim income	1	4
Other	—	0
Total extraordinary income	1	4
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	—	228
Other	—	1
Total extraordinary losses	0	229
Profit (loss) before income taxes	182	(320)
Income taxes	76	(46)
Profit (loss)	106	(274)
Profit attributable to non-controlling interests	0	—
Profit (loss) attributable to owners of parent	106	(274)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	106	(274)
Other comprehensive income		
Valuation difference on available-for-sale securities	(80)	211
Foreign currency translation adjustment	(10)	(230)
Remeasurements of defined benefit plans, net of tax	11	12
Total other comprehensive income	(79)	(5)
Comprehensive income	27	(280)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26	(280)
Comprehensive income attributable to non-controlling interests	0	—