

**Consolidated financial results (Japanese accounting standards)**  
**For the 3rd quarter of the fiscal year ending December 31, 2020 (Q3 FY2020)**

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  
 Contact: Yoshinori Hayashi, Corporate Officer, General Manager, Financial Affairs Department  
 Tel. +81-76-467-1111

Scheduled date for filing of securities report: February 12, 2021  
 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, 2020  
 (April 1, 2020 – December 31, 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	%
December 31 , 2020	23,125	(21.9)	(44)	–	(145)	–	(279)	–
December 31 , 2019	29,596	(10.8)	729	(5.9)	756	(29.2)	565	1.4

(Note) Comprehensive income: (77) million yen (–%) for the nine months ending December 31, 2020  
 231 million yen (124.6%) for the nine months ended December 31, 2019

	Net income		Diluted net income	
	Per share		Per share	
December 31 , 2020	Yen (33.44)		Yen –	
December 31 , 2019	67.54		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2020	35,210	12,326	35.0
March 31 , 2020	34,945	12,656	36.2

(Reference) Equity:nine months ending December 31, 2020: 12,326 million yen  
 Fiscal year ended March 31, 2020: 12,656 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end	Total
Year ended March 31, 2020	Yen –	Yen 0.00	Yen –	Yen 30.00	Yen 30.00
Year ending March 31, 2021	–	0.00	–	–	–
Year ending March 31, 2021 (forecasts)				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	33,000	(14.8)	400	(52.0)	350	(61.9)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2021	100	(84.9)	11.95

(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 31,2020	9,250,099 shares	As of March 31,2020	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of December 31,2020	880,158 shares	As of March 31,2020	878,280 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2020	8,371,410 shares	As of December 31,2019	8,375,439 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 December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	7,228	8,468
Notes and accounts receivable - trade	7,648	7,984
Merchandise and finished goods	1,183	1,290
Work in process	2,315	1,940
Raw materials and supplies	1,788	1,663
Other	1,279	940
Allowance for doubtful accounts	(15)	(16)
Total current assets	21,428	22,271
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,646	2,545
Machinery, equipment and vehicles, net	3,555	3,140
Land	2,917	2,917
Other, net	309	270
Total property, plant and equipment	9,428	8,872
Intangible assets	498	415
Investments and other assets		
Investment securities	983	1,106
Deferred tax assets	1,434	1,397
Other	1,359	1,236
Allowance for doubtful accounts	(188)	(91)
Total investments and other assets	3,589	3,650
Total non-current assets	13,516	12,938
Total assets	34,945	35,210

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,526	5,009
Short-term borrowings	3,640	4,802
Income taxes payable	172	—
Provision for bonuses	390	184
Other	1,304	1,367
Total current liabilities	11,034	11,363
Non-current liabilities		
Long-term borrowings	5,697	6,130
Lease obligations	476	371
Deferred tax liabilities	0	2
Deferred tax liabilities for land revaluation	327	327
Retirement benefit liability	4,631	4,571
Other	121	117
Total non-current liabilities	11,254	11,520
<b>Total liabilities</b>	<b>22,289</b>	<b>22,883</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	3,619	3,088
Treasury shares	(1,156)	(1,158)
Total shareholders' equity	12,701	12,169
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(181)	116
Revaluation reserve for land	685	685
Foreign currency translation adjustment	(361)	(494)
Remeasurements of defined benefit plans	(187)	(150)
Total accumulated other comprehensive income	(45)	157
<b>Total net assets</b>	<b>12,656</b>	<b>12,326</b>
<b>Total liabilities and net assets</b>	<b>34,945</b>	<b>35,210</b>

## Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	29,596	23,125
Cost of sales	25,117	19,776
Gross profit	4,479	3,348
Selling, general and administrative expenses	3,750	3,393
Operating profit (loss)	729	(44)
Non-operating income		
Interest income	51	40
Dividend income	48	20
Subsidies for employment adjustment	—	125
Other	100	183
Total non-operating income	200	369
Non-operating expenses		
Interest expenses	53	40
Expenses for suspension of business	—	117
Foreign exchange losses	20	259
Other	99	51
Total non-operating expenses	173	469
Ordinary profit (loss)	756	(145)
Extraordinary income		
Gain on sales of non-current assets	1	1
Surrender value of insurance policies	6	62
Other	1	4
Total extraordinary income	9	67
Extraordinary losses		
Loss on retirement of non-current assets	25	1
Loss on valuation of investment securities	—	208
Other	3	1
Total extraordinary losses	28	211
Profit (loss) before income taxes	736	(288)
Income taxes	170	(8)
Profit (loss)	566	(279)
Profit attributable to non-controlling interests	0	—
Profit (loss) attributable to owners of parent	565	(279)

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	566	(279)
Other comprehensive income		
Valuation difference on available-for-sale securities	(39)	298
Foreign currency translation adjustment	(329)	(133)
Remeasurements of defined benefit plans, net of tax	35	37
Total other comprehensive income	(334)	202
Comprehensive income	231	(77)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	231	(77)
Comprehensive income attributable to non-controlling interests	0	—