

Consolidated financial results (Japanese accounting standards)
For the 3rd quarter of the fiscal year ending December 31, 2021 (Q3 FY2021)

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 10, 2022
 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, 2021
 (April 1, 2021 – December 31, 2021)

(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 , 2021	29,360	27.0	1,502	–	1,721	–	1,249	–
December 31 , 2020	23,125	(21.9)	(44)	–	(145)	–	(279)	–

(Note) Comprehensive income: 1,694 million yen (–%) for the nine months ending December 31, 2021
 (77) million yen (–%) for the nine months ended December 31, 2020

	Net income		Diluted net income	
	Per share		Per share	
	Yen		Yen	
December 31 , 2021	149.33		–	
December 31 , 2020	(33.44)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2021	38,916	14,728	37.8
March 31 , 2021	35,692	13,287	37.2

(Reference) Equity:nine months ending December 31, 2021: 14,728 million yen
 Fiscal year ended March 31, 2021: 13,287 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	30.00	30.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (forecasts)				40.00	40.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)
(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 31,2022	39,500	20.3	1,800	214.3	1,800	174.6

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2022	1,300	190.4	155.32

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

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: Yes

(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 31,2021	9,250,099 shares	As of March 31,2021	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of December 31,2021	881,776 shares	As of March 31,2021	880,256 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2021	8,369,585 shares	As of December 31,2020	8,371,410 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	8,262	6,951
Notes and accounts receivable - trade	8,295	—
Notes and accounts receivable - trade, and contract assets	—	10,509
Merchandise and finished goods	1,033	1,461
Work in process	2,159	3,005
Raw materials and supplies	1,741	2,692
Other	1,228	1,452
Allowance for doubtful accounts	(16)	(17)
Total current assets	22,704	26,054
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,534	2,485
Machinery, equipment and vehicles, net	3,094	3,169
Land	2,918	2,918
Other, net	233	260
Total property, plant and equipment	8,780	8,833
Intangible assets	417	412
Investments and other assets		
Investment securities	1,111	1,035
Deferred tax assets	1,425	1,421
Other	1,289	1,194
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	3,790	3,615
Total non-current assets	12,988	12,861
Total assets	35,692	38,916

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,024	7,444
Short-term borrowings	3,683	3,722
Income taxes payable	133	479
Provision for bonuses	405	196
Other	1,222	1,721
Total current liabilities	11,469	13,565
Non-current liabilities		
Long-term borrowings	5,582	5,557
Lease obligations	325	206
Deferred tax liabilities	2	5
Deferred tax liabilities for land revaluation	327	327
Retirement benefit liability	4,586	4,451
Other	111	73
Total non-current liabilities	10,935	10,622
Total liabilities	22,405	24,187
Net assets		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,039	5,039
Retained earnings	3,815	4,814
Treasury shares	(1,158)	(1,160)
Total shareholders' equity	12,896	13,893
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117	43
Revaluation reserve for land	685	685
Foreign currency translation adjustment	(233)	245
Remeasurements of defined benefit plans	(178)	(138)
Total accumulated other comprehensive income	390	835
Total net assets	13,287	14,728
Total liabilities and net assets	35,692	38,916

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	23,125	29,360
Cost of sales	19,776	24,261
Gross profit	3,348	5,098
Selling, general and administrative expenses	3,393	3,595
Operating profit (loss)	(44)	1,502
Non-operating income		
Interest income	40	31
Dividend income	20	22
Subsidies for employment adjustment	125	3
Foreign exchange gains	—	161
Other	183	103
Total non-operating income	369	321
Non-operating expenses		
Interest expenses	40	39
Expenses for persons of temporary transfer	26	34
Expenses for suspension of business	117	1
Foreign exchange losses	259	—
Other	24	27
Total non-operating expenses	469	102
Ordinary profit (loss)	(145)	1,721
Extraordinary income		
Gain on sale of non-current assets	1	0
Surrender value of insurance policies	62	47
Insurance claim income	1	14
Other	3	1
Total extraordinary income	67	64
Extraordinary losses		
Loss on retirement of non-current assets	1	9
Loss on valuation of investment securities	208	9
Loss on cancellation of insurance policies	—	31
Other	1	2
Total extraordinary losses	211	53
Profit (loss) before income taxes	(288)	1,732
Income taxes	(8)	482
Profit (loss)	(279)	1,249
Profit (loss) attributable to owners of parent	(279)	1,249

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	(279)	1,249
Other comprehensive income		
Valuation difference on available-for-sale securities	298	(74)
Foreign currency translation adjustment	(133)	479
Remeasurements of defined benefit plans, net of tax	37	39
Total other comprehensive income	202	444
Comprehensive income	(77)	1,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(77)	1,694