

**Consolidated financial results (Japanese accounting standards)
For the 2nd quarter of the fiscal year ending September 30, 2022 (Q2 FY2022)**

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: November 11, 2022
 Scheduled date of commencement of dividend payment: -
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: None

(Yen in millions , rounded down)

1. Consolidated financial results for the 2nd quarter of the fiscal year ending September 30, 2022
(April 1, 2022 – September 30, 2022)

(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	%
September 30 , 2022	23,504	26.7	1,494	65.7	2,422	140.1	1,801	154.5
September 30 , 2021	18,553	29.3	901	-	1,008	-	707	-

(Note) Comprehensive income: 3,053 million yen (193.4%) for the six months ending September 30, 2022
 1,040 million yen (-%) for the six months ended September 30, 2021

	Net income	Diluted net income
	Per share	Per share
	Yen	Yen
September 30 , 2022	215.21	-
September 30 , 2021	84.57	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30 , 2022	44,851	18,631	41.5
March 31 , 2022	40,959	15,950	38.9

(Reference) Equity:six months ending September 30, 2022: 18,631 million yen
 Fiscal year ended March 31, 2022: 15,950 million 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, 2022	-	0.00	-	45.00	45.00	45.00
Year ending March 31, 2023	-	0.00	-			
Year ending March 31, 2023 (forecasts)			-	50.00	50.00	50.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(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 31,2023	46,000	13.7	2,600	25.3	3,100	21.7

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2023	2,300	18.0	274.77

(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 September 30,2022	9,250,099 shares	As of March 31,2022	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of September 30,2022	877,936 shares	As of March 31,2022	881,924 shares
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(iii) Average number of shares outstanding during the term

As of September 30,2022	8,369,076 shares	As of September 30,2021	8,369,734 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,006	9,123
Notes and accounts receivable - trade	11,065	10,883
Merchandise and finished goods	1,599	2,328
Work in process	3,250	4,305
Raw materials and supplies	3,068	3,799
Other	1,886	1,304
Allowance for doubtful accounts	(17)	(20)
Total current assets	27,858	31,724
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,505	2,476
Machinery, equipment and vehicles, net	3,191	3,122
Land	2,847	2,849
Other, net	261	432
Total property, plant and equipment	8,806	8,881
Intangible assets	482	431
Investments and other assets		
Investment securities	1,096	1,034
Deferred tax assets	1,528	1,568
Other	1,222	1,222
Allowance for doubtful accounts	(36)	(11)
Total investments and other assets	3,811	3,813
Total non-current assets	13,100	13,126
Total assets	40,959	44,851

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,491	8,205
Short-term borrowings	4,617	6,581
Income taxes payable	715	738
Provision for bonuses	458	478
Other	1,544	1,365
Total current liabilities	14,827	17,370
Non-current liabilities		
Long-term borrowings	5,186	4,024
Lease liabilities	171	151
Deferred tax liabilities	4	5
Deferred tax liabilities for land revaluation	318	318
Retirement benefit liability	4,435	4,287
Other	64	61
Total non-current liabilities	10,181	8,849
Total liabilities	25,008	26,219
Net assets		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,039	5,038
Retained earnings	5,533	6,957
Treasury shares	(1,160)	(1,155)
Total shareholders' equity	14,611	16,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87	61
Revaluation reserve for land	665	665
Foreign currency translation adjustment	706	1,964
Remeasurements of defined benefit plans	(120)	(100)
Total accumulated other comprehensive income	1,338	2,591
Total net assets	15,950	18,631
Total liabilities and net assets	40,959	44,851

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	18,553	23,504
Cost of sales	15,297	19,475
Gross profit	3,256	4,028
Selling, general and administrative expenses	2,354	2,534
Operating profit	901	1,494
Non-operating income		
Interest income	20	23
Dividend income	18	25
Foreign exchange gains	63	851
Other	71	100
Total non-operating income	173	1,001
Non-operating expenses		
Interest expenses	26	29
Expenses for persons of temporary transfer	19	22
Other	19	21
Total non-operating expenses	65	73
Ordinary profit	1,008	2,422
Extraordinary income		
Gain on sale of non-current assets	—	0
Surrender value of insurance policies	45	35
Insurance claim income	14	—
Other	1	—
Total extraordinary income	61	35
Extraordinary losses		
Loss on sale of non-current assets	—	2
Loss on retirement of non-current assets	6	4
Loss on valuation of investment securities	7	—
Extra retirement payments	—	1
Loss on cancellation of insurance policies	31	—
Other	2	0
Total extraordinary losses	47	8
Profit before income taxes	1,023	2,449
Income taxes	315	648
Profit	707	1,801
Profit attributable to owners of parent	707	1,801

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	707	1,801
Other comprehensive income		
Valuation difference on available-for-sale securities	(76)	(25)
Foreign currency translation adjustment	383	1,258
Remeasurements of defined benefit plans, net of tax	26	20
Total other comprehensive income	332	1,252
Comprehensive income	1,040	3,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,040	3,053

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,023	2,449
Depreciation	497	536
Increase (decrease) in allowance for doubtful accounts	0	(21)
Increase (decrease) in provision for bonuses	22	19
Increase (decrease) in retirement benefit liability	(99)	(147)
Interest and dividend income	(38)	(49)
Interest expenses	26	29
Foreign exchange losses (gains)	16	(157)
Loss (gain) on sale of non-current assets	—	2
Loss on retirement of non-current assets	6	4
Loss (gain) on valuation of investment securities	7	—
Employment Adjustment Subsidy	(2)	—
Expenses for suspension of business	1	—
Surrender value of insurance policies	(45)	(35)
Insurance claim income	(14)	—
Expenses for persons of temporary transfer	19	22
Decrease (increase) in trade receivables	33	774
Decrease (increase) in inventories	(1,356)	(1,950)
Increase (decrease) in trade payables	316	586
Decrease (increase) in consumption taxes refund receivable	265	622
Other, net	(9)	(646)
Subtotal	671	2,037
Interest and dividends received	38	49
Interest paid	(26)	(29)
Income taxes paid	(95)	(625)
Proceeds from surrender value of insurance	45	35
Proceeds from insurance income	14	—
Expenses paid for suspension of business	(1)	—
Net cash provided by (used in) operating activities	645	1,467
Cash flows from investing activities		
Purchase of non-current assets	(332)	(308)
Proceeds from sale of non-current assets	—	0
Purchase of investment securities	(4)	(0)
Proceeds from sale of investment securities	3	—
Loan advances	(5)	—
Proceeds from collection of loans receivable	18	—
Net decrease (increase) in time deposits	(80)	(62)
Other, net	(7)	(2)
Net cash provided by (used in) investing activities	(408)	(373)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,900	2,300
Repayments of long-term borrowings	(1,527)	(1,497)
Repayments of lease liabilities	(67)	(123)
Purchase of treasury shares	(0)	(0)
Dividends paid	(251)	(376)
Net cash provided by (used in) financing activities	53	302
Effect of exchange rate change on cash and cash equivalents	207	542
Net increase (decrease) in cash and cash equivalents	497	1,939
Cash and cash equivalents at beginning of period	6,849	5,404
Cash and cash equivalents at end of period	7,347	7,343