

Consolidated financial results (Japanese accounting standards)
For the 3rd quarter of the fiscal year ending December 31, 2023 (Q3 FY2023)

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: Koji Miwa, Deputy General Manager, Financial Affairs Department
 Tel. +81-76-467-1111

Scheduled date for filing of securities report: February 9, 2024
 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, 2023
 (April 1, 2023 – December 31, 2023)

(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 , 2023	31,313	(8.9)	1,835	(23.6)	2,338	(23.0)	2,154	(7.0)
December 31 , 2022	34,368	17.1	2,402	59.9	3,036	76.4	2,316	85.4

(Note) Comprehensive income: 3,106 million yen ((11.6)%) for the nine months ending December 31, 2023
 3,512 million yen (107.3%) for the nine months ended December 31, 2022

	Net income Per share		Diluted net income Per share	
	Yen		Yen	
December 31 , 2023	259.82		–	
December 31 , 2022	276.81		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31 , 2023	43,164	19,593	45.4
March 31 , 2023	42,979	17,107	39.8

(Reference) Equity:nine months ending December 31, 2023: 19,593 million yen
 Fiscal year ended March 31, 2023: 17,107 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, 2023	Yen –	Yen 0.00	Yen –	Yen 55.00	Yen 55.00
Year ending March 31, 2024	–	0.00	–		
Year ending March 31, 2024 (forecasts)				55.00	55.00

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

3. Consolidated forecasts for the fiscal year ending March 31, 2024(April 1, 2023 – March 31, 2024)
(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 31,2024	42,600	(6.3)	2,300	(21.8)	2,600	(27.4)

	Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Yen
Year ending March 31,2024	2,100	224.3	253.28

(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: 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 31,2023	9,250,099 shares	As of March 31,2023	9,250,099 shares
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(ii) Number of treasury stock at end of period

As of December 31,2023	1,087,820 shares	As of March 31,2023	878,702 shares
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(iii) Average number of shares outstanding during the term

As of December 31,2023	8,291,515 shares	As of December 31,2022	8,370,047 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	8,052	9,288
Notes and accounts receivable - trade	10,064	10,241
Merchandise and finished goods	1,743	2,222
Work in process	3,958	3,597
Raw materials and supplies	4,319	3,324
Other	2,014	1,744
Allowance for doubtful accounts	(19)	(30)
Total current assets	30,132	30,387
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,572	2,587
Machinery, equipment and vehicles, net	3,081	3,000
Land	2,847	2,847
Other, net	260	327
Total property, plant and equipment	8,761	8,762
Intangible assets	376	287
Investments and other assets		
Investment securities	1,124	1,245
Deferred tax assets	1,232	1,245
Other	2,372	2,289
Allowance for doubtful accounts	(1,021)	(1,052)
Total investments and other assets	3,708	3,726
Total non-current assets	12,847	12,776
Total assets	42,979	43,164

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,737	6,551
Short-term borrowings	5,690	6,016
Income taxes payable	295	110
Provision for bonuses	446	204
Provision for Loss on business related to business partners	413	—
Other	1,219	1,506
Total current liabilities	15,803	14,389
Non-current liabilities		
Long-term borrowings	5,397	4,660
Lease liabilities	227	194
Deferred tax liabilities	10	5
Deferred tax liabilities for land revaluation	318	318
Retirement benefit liability	4,050	3,936
Other	63	66
Total non-current liabilities	10,068	9,182
Total liabilities	25,872	23,571
Net assets		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,038	5,037
Retained earnings	5,804	7,628
Treasury shares	(1,156)	(1,450)
Total shareholders' equity	14,886	16,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	139	276
Revaluation reserve for land	665	665
Foreign currency translation adjustment	1,432	2,235
Remeasurements of defined benefit plans	(16)	(0)
Total accumulated other comprehensive income	2,221	3,177
Total net assets	17,107	19,593
Total liabilities and net assets	42,979	43,164

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	34,368	31,313
Cost of sales	28,121	25,501
Gross profit	6,246	5,811
Selling, general and administrative expenses	3,843	3,975
Operating profit	2,402	1,835
Non-operating income		
Interest income	36	61
Dividend income	29	29
Foreign exchange gains	509	402
Other	171	105
Total non-operating income	747	598
Non-operating expenses		
Interest expenses	44	52
Expenses for persons of temporary transfer	34	12
Other	33	31
Total non-operating expenses	112	96
Ordinary profit	3,036	2,338
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on reversal of loss on business related to business partners	—	106
Surrender value of insurance policies	36	39
Other	0	30
Total extraordinary income	37	176
Extraordinary losses		
Loss on sale of non-current assets	3	1
Loss on retirement of non-current assets	6	1
Loss on cancellation of insurance policies	—	5
Loss on valuation of investment securities	—	2
Litigation settlement	93	—
Other	1	1
Total extraordinary losses	105	11
Profit before income taxes	2,968	2,503
Income taxes	651	349
Profit	2,316	2,154
Profit attributable to owners of parent	2,316	2,154

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	2,316	2,154
Other comprehensive income		
Valuation difference on available-for-sale securities	31	136
Foreign currency translation adjustment	1,133	799
Remeasurements of defined benefit plans, net of tax	30	15
Total other comprehensive income	1,195	951
Comprehensive income	3,512	3,106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,512	3,106