

**Consolidated financial results (Japanese accounting standards)
For the fiscal year ended March 31, 2024**

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 ordinary general meeting of shareholders: June 27, 2024
 Scheduled date of commencement of dividend payment: June 6, 2024
 Scheduled date for filing of securities report: June 27, 2024
 Presentation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes

(Yen in millions , rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2024
 (April 1, 2023 – March 31, 2024)

(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 March 31, 2024	40,811	(10.2)	2,271	(22.8)	3,107	(13.2)	2,538	292.0
Year ended March 31, 2023	45,459	12.4	2,941	41.7	3,581	40.6	647	(66.8)

(Note) Comprehensive income: 3,619 millions yen (136.6%) for the fiscal year ended March 31, 2024
 1,530 millions yen ((47.5)%) for the fiscal year ended March 31, 2023

	Net income per share	Diluted net income per share	Return on equity	Raito of ordinary income to total assets	Raito of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	307.33	–	13.6	7.3	5.6
Year ended March 31, 2023	77.36	–	3.9	8.5	6.5

(Reference) Equity in net income of affiliates: – millions yen for the fiscal year ended March 31, 2024
 – millions yen for the fiscal year ended March 31, 2023

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	41,645	20,106	48.3	2,463.43
As of March 31, 2023	42,979	17,107	39.8	2,043.56

(Reference) Equity: fiscal year ended March 31, 2024: 20,106 millions of yen
 fiscal year ended March 31, 2023: 17,107 millions of yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	4,519	(737)	(2,476)	8,018
Year ended March 31, 2023	629	(1,045)	773	6,253

2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	0.00	-	55.00	55.00
Year ended March 31, 2024	-	0.00	-	60.00	60.00
Year ending March 31, 2025 (forecasts)	-	0.00	-	60.00	60.00

	Aggregate amount (Total)	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Millions of yen	%	%
Year ended March 31, 2023	460	71.1	2.8
Year ended March 31, 2024	489	19.5	2.7
Year ending March 31, 2025 (forecasts)		27.2	

3. Consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentage figures for the fiscal year represent the changes from the previous 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 ending March 31, 2025	43,000	5.4	2,700	18.8	2,500	(19.6)	1,800	(29.1)

	Net income per share
Year ending March 31, 2025	Yen 220.53

* Note

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries that change the scope of consolidation): None

(2) 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

(3) Number of shares outstanding (common stock):

① Number of shares outstanding at end of period (including treasury stock)

As of March 31, 2024	9,250,099 shares	As of March 31, 2023	9,250,099 shares
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② Number of treasury stock at end of period

As of March 31, 2024	1,087,938 shares	As of March 31, 2023	878,702 shares
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③ Average number of shares outstanding during the term

As of March 31, 2024	8,259,372 shares	As of March 31, 2023	8,370,416 shares
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(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024

(April 1, 2023 – March 31, 2024)

(1) Non-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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	33,996	(12.2)	1,348	14.4	2,425	23.5	2,361	–
Year ended March 31, 2023	38,720	11.7	1,179	50.2	1,963	36.3	(545)	–

	Net income per share	Diluted net income Per share
	Yen	Yen
Year ended March 31, 2024	285.90	–
Year ended March 31, 2023	(65.16)	–

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2024	34,093	14,321	42.0	1,754.57
Year ended March 31, 2023	35,468	12,446	35.1	1,486.78

(Reference) Equity: fiscal year ended March 31, 2024: 14,321 millions of yen
fiscal year ended March 31, 2023: 12,446 millions of yen

* This document is not subject to audit procedures.

* Explanation for appropriate use of forecasts and other 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 March 31, 2024
Assets		
Current assets		
Cash and deposits	8,052	10,112
Notes and accounts receivable - trade	10,064	8,016
Merchandise and finished goods	1,743	2,059
Work in process	3,958	3,622
Raw materials and supplies	4,319	3,569
Other	2,014	1,676
Allowance for doubtful accounts	(19)	(28)
Total current assets	30,132	29,029
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,513	13,709
Accumulated depreciation and impairment	(10,941)	(11,139)
Buildings and structures, net	2,572	2,570
Machinery, equipment and vehicles	27,275	27,206
Accumulated depreciation and impairment	(24,193)	(24,262)
Machinery, equipment and vehicles, net	3,081	2,944
Land	2,847	2,737
Other	260	310
Total property, plant and equipment	8,761	8,562
Intangible assets	376	274
Investments and other assets		
Investment securities	1,124	1,417
Deferred tax assets	1,232	1,115
Other	2,372	2,267
Allowance for doubtful accounts	(1,021)	(1,020)
Total investments and other assets	3,708	3,779
Total non-current assets	12,847	12,616
Total assets	42,979	41,645

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,737	5,736
Short-term borrowings	5,690	3,856
Income taxes payable	295	250
Provision for bonuses	446	402
Provision for Loss on business related to business partners	413	—
Other	1,219	1,246
Total current liabilities	15,803	11,492
Non-current liabilities		
Long-term borrowings	5,397	5,720
Lease liabilities	227	166
Deferred tax liabilities	10	6
Deferred tax liabilities for land revaluation	318	310
Retirement benefit liability	4,050	3,774
Other	63	67
Total non-current liabilities	10,068	10,046
Total liabilities	25,872	21,538
Net assets		
Shareholders' equity		
Share capital	5,200	5,200
Capital surplus	5,038	5,037
Retained earnings	5,804	8,025
Treasury shares	(1,156)	(1,450)
Total shareholders' equity	14,886	16,812
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	139	400
Revaluation reserve for land	665	652
Foreign currency translation adjustment	1,432	2,229
Remeasurements of defined benefit plans	(16)	12
Total accumulated other comprehensive income	2,221	3,294
Total net assets	17,107	20,106
Total liabilities and net assets	42,979	41,645

Consolidated statements of income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	45,459	40,811
Cost of sales	37,560	33,260
Gross profit	7,898	7,550
Selling, general and administrative expenses	4,956	5,278
Operating profit	2,941	2,271
Non-operating income		
Interest income	52	100
Dividend income	32	34
Foreign exchange gains	515	707
Other	186	142
Total non-operating income	787	985
Non-operating expenses		
Interest expenses	61	70
Loss on sale of receivables	22	21
Expenses for persons of temporary transfer	42	13
Compensation for damage	—	20
Foreign withholding tax	15	15
Other	4	7
Total non-operating expenses	147	149
Ordinary profit	3,581	3,107
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on reversal of loss on business related to business partners	—	106
Gain on sale of investment securities	—	25
Surrender value of insurance policies	40	47
Insurance claim income	2	2
Other	—	14
Total extraordinary income	43	198
Extraordinary losses		
Impairment losses	—	146
Loss on sale of non-current assets	3	1
Loss on retirement of non-current assets	21	52
Loss on business related to business partners	2,004	—
Litigation settlement	93	—
Other	1	13
Total extraordinary losses	2,125	214
Profit before income taxes	1,499	3,092
Income taxes - current	574	549
Income taxes - deferred	277	3
Total income taxes	851	553
Profit	647	2,538
Profit attributable to owners of parent	647	2,538

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	647	2,538
Other comprehensive income		
Valuation difference on available-for-sale securities	52	260
Remeasurements of defined benefit plans, net of tax	103	28
Foreign currency translation adjustment	726	792
Total other comprehensive income	882	1,081
Comprehensive income	1,530	3,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,530	3,619

Consolidated statements of changes in equity
 Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,200	5,039	5,533	(1,160)	14,611
Changes during period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			647		647
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		5	4
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	270	4	274
Balance at end of period	5,200	5,038	5,804	(1,156)	14,886

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income	
Balance at beginning of period	87	665	706	(120)	1,338	15,950
Changes during period						
Dividends of surplus						(376)
Profit attributable to owners of parent						647
Purchase of treasury shares						(1)
Disposal of treasury shares						4
Net changes in items other than shareholders' equity	52	—	726	103	882	882
Total changes during period	52	—	726	103	882	1,157
Balance at end of period	139	665	1,432	(16)	2,221	17,107

Consolidated statements of changes in equity
Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,200	5,038	5,804	(1,156)	14,886
Changes during period					
Dividends of surplus			(460)		(460)
Profit attributable to owners of parent			2,538		2,538
Purchase of treasury shares				(300)	(300)
Reversal of revaluation reserve for land			13		13
Change in scope of consolidation			130		130
Disposal of treasury shares		(0)		6	5
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	2,221	(294)	1,926
Balance at end of period	5,200	5,037	8,025	(1,450)	16,812

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income	
Balance at beginning of period	139	665	1,432	(16)	2,221	17,107
Changes during period						
Dividends of surplus						(460)
Profit attributable to owners of parent						2,538
Purchase of treasury shares						(300)
Reversal of revaluation reserve for land						13
Change in scope of consolidation						130
Disposal of treasury shares						5
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes in items other than shareholders' equity	260	(13)	797	28	1,073	1,073
Total changes during period	260	(13)	797	28	1,073	2,999
Balance at end of period	400	652	2,229	12	3,294	20,106

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,499	3,092
Depreciation	1,097	1,017
Impairment losses	—	146
Increase (decrease) in allowance for doubtful accounts	(22)	7
Increase (decrease) in provision for bonuses	(12)	(43)
Increase (decrease) in retirement benefit liability	(384)	(280)
Interest and dividend income	(85)	(135)
Interest expenses	61	70
Foreign exchange losses (gains)	(250)	(156)
Loss (gain) on sale of non-current assets	3	(0)
Loss on retirement of non-current assets	21	52
Loss (gain) on sale of investment securities	—	(25)
Loss (gain) on valuation of investment securities	—	2
Surrender value of insurance policies	(40)	(47)
Insurance claim income	(2)	(2)
Litigation settlement	93	—
Expenses for persons of temporary transfer	42	13
Compensation for damage	—	20
Loss on transfer of receivables	22	21
Foreign withholding tax	15	15
Loss on business related to business partners	2,004	—
Gain on reversal of loss on business related to business partners	—	(106)
Decrease (increase) in trade receivables	321	2,155
Decrease (increase) in inventories	(2,336)	1,349
Increase (decrease) in trade payables	181	(1,949)
Decrease (increase) in consumption taxes refund receivable	(127)	135
Other, net	(466)	(352)
Subtotal	1,637	5,000
Interest and dividends received	85	135
Interest paid	(62)	(70)
Income taxes paid	(980)	(575)
Proceeds from surrender value of insurance	40	47
Compensation paid for damage	—	(19)
Proceeds from insurance income	2	2
Litigation settlement paid	(93)	—
Net cash provided by (used in) operating activities	629	4,519

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of non-current assets	(757)	(698)
Proceeds from sale of non-current assets	0	3
Purchase of investment securities	(1)	(2)
Proceeds from sale and redemption of investment securities	—	51
Loan advances	(5)	—
Proceeds from collection of loans receivable	2	3
Net decrease (increase) in time deposits	(136)	(191)
Other, net	(147)	96
Net cash provided by (used in) investing activities	(1,045)	(737)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,100	(1,950)
Proceeds from long-term borrowings	3,200	3,400
Repayments of long-term borrowings	(3,015)	(2,960)
Repayments of lease liabilities	(133)	(204)
Purchase of treasury shares	(1)	(300)
Dividends paid	(376)	(460)
Net cash provided by (used in) financing activities	773	(2,476)
Effect of exchange rate change on cash and cash equivalents	491	381
Net increase (decrease) in cash and cash equivalents	848	1,686
Cash and cash equivalents at beginning of period	5,404	6,253
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	78
Cash and cash equivalents at end of period	6,253	8,018