

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 12, 2015

Company name: Eagle Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6486 URL <http://www.ekkeagle.com/jp/>
 Representative: Representative Director, President Tetsuji Tsuru
 Senior Operating Officer, Division Manager Sumio Ikeda
 Corporate Finance & Accounting Division TEL 03-3438-2291
 Inquiries: Sumio Ikeda
 Scheduled date of ordinary general meeting of shareholders: June 24, 2015
 Scheduled date to file Securities Report: June 24, 2015
 Scheduled date to commence dividend payments: June 25, 2015
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	138,150	10.8	14,493	27.1	16,750	15.3	9,510	28.1
Year ended March 31, 2014	124,709	21.3	11,403	50.4	14,523	62.6	7,426	65.0

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	197.00	—	15.6	11.2	10.5
Year ended March 31, 2014	154.09	—	14.7	11.0	9.1

(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, 2015	156,443	74,786	42.2	1,366.47
As of March 31, 2014	142,531	62,933	39.0	1,153.02

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from 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, 2015	14,086	(12,652)	(2,044)	17,911
Year ended March 31, 2014	16,334	(11,659)	(2,159)	17,379

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	—	7.00	—	18.00	25.00	1,217	16.2	2.4
Year ended March 31, 2015	—	15.00	—	25.00	40.00	1,947	20.3	3.2
Year ending March 31, 2016 (Forecast)	—	20.00	—	—	—	—	—	—

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	72,000	7.8	7,000	7.6	8,000	7.3	5,100	14.4	105.56
Full year	145,000	5.0	15,000	3.5	17,000	1.5	11,000	15.7	227.68

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: Yes

Changes in accounting estimates: Yes

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2015	49,757,821 shares	As of March 31, 2014	49,757,821 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	1,444,635 shares	As of March 31, 2014	1,521,291 shares
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Average number of shares during the period

Year ended March 31, 2015	48,276,488 shares	Year ended March 31, 2014	48,195,472 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	19,593	20,262
Notes and accounts receivable - trade	29,585	30,964
Electronically recorded monetary claims - operating	527	1,529
Merchandise and finished goods	4,964	4,975
Work in process	6,689	7,355
Raw materials and supplies	4,824	5,804
Accounts receivable - other	1,363	2,583
Deferred tax assets	1,780	1,720
Other	2,809	3,253
Allowance for doubtful accounts	(324)	(159)
Total current assets	71,814	78,289
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,282	32,832
Accumulated depreciation	(12,982)	(13,878)
Buildings and structures, net	15,300	18,953
Machinery, equipment and vehicles	50,176	56,513
Accumulated depreciation	(35,558)	(38,719)
Machinery, equipment and vehicles, net	14,617	17,793
Tools, furniture and fixtures	7,920	9,336
Accumulated depreciation	(6,059)	(6,850)
Tools, furniture and fixtures, net	1,861	2,486
Land	4,842	4,974
Leased assets	599	976
Accumulated depreciation	(273)	(403)
Leased assets, net	325	573
Construction in progress	3,401	2,110
Total property, plant and equipment	40,348	46,892
Intangible assets		
Goodwill	4,983	4,331
Other	1,547	1,899
Total intangible assets	6,530	6,231
Investments and other assets		
Investment securities	18,171	19,924
Long-term loans receivable	1,752	1,603
Deferred tax assets	2,718	1,937
Other	1,748	1,819
Allowance for doubtful accounts	(276)	(254)
Allowance for investment loss	(277)	—
Total investments and other assets	23,837	25,030
Total non-current assets	70,717	78,154
Total assets	142,531	156,443

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	7,474	8,235
Electronically recorded obligations - operating	–	1,456
Short-term loans payable	3,327	3,205
Current portion of long-term loans payable	11,403	9,404
Accounts payable - other	11,379	11,073
Lease obligations	93	103
Income taxes payable	3,116	3,052
Deposits received from employees	3,338	3,289
Provision for bonuses	2,029	2,060
Other provision	859	369
Other	3,739	5,252
Total current liabilities	46,762	47,502
Non-current liabilities		
Long-term loans payable	19,126	20,907
Lease obligations	214	670
Net defined benefit liability	12,122	11,562
Provision for directors' retirement benefits	93	25
Provision for environmental measures	297	297
Negative goodwill	190	174
Other	790	517
Total non-current liabilities	32,835	34,154
Total liabilities	79,597	81,657
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,485	11,503
Retained earnings	34,348	41,821
Treasury shares	(967)	(940)
Total shareholders' equity	55,358	62,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	299	500
Foreign currency translation adjustment	2,626	4,565
Remeasurements of defined benefit plans	(2,666)	(1,922)
Total accumulated other comprehensive income	259	3,143
Minority interests	7,316	8,767
Total net assets	62,933	74,786
Total liabilities and net assets	142,531	156,443

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	124,709	138,150
Cost of sales	93,476	101,292
Gross profit	31,233	36,857
Selling, general and administrative expenses	19,830	22,364
Operating income	11,403	14,493
Non-operating income		
Interest income	185	338
Dividend income	181	91
Rent income	138	122
Share of profit of entities accounted for using equity method	2,064	1,778
Foreign exchange gains	1,170	436
Other	617	694
Total non-operating income	4,357	3,462
Non-operating expenses		
Interest expenses	679	629
Contribution	108	121
Penalty	280	—
Product maintenance and repair	—	231
Other	169	222
Total non-operating expenses	1,238	1,205
Ordinary income	14,523	16,750
Extraordinary income		
Gain on sales of non-current assets	60	38
Gain on sales of investment securities	6	—
Gain on bargain purchase	—	18
Other	6	—
Total extraordinary income	73	56
Extraordinary losses		
Loss on sales of non-current assets	6	29
Loss on retirement of non-current assets	122	157
Restructuring loss	290	—
Provision of allowance for investment loss	277	—
Other	16	18
Total extraordinary losses	711	205
Income before income taxes and minority interests	13,885	16,602
Income taxes - current	4,647	5,674
Income taxes - deferred	1,042	514
Total income taxes	5,689	6,189
Income before minority interests	8,195	10,413
Minority interests in income	768	903
Net income	7,426	9,510

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	8,195	10,413
Other comprehensive income		
Valuation difference on available-for-sale securities	75	173
Foreign currency translation adjustment	2,905	2,986
Remeasurements of defined benefit plans, net of tax	–	828
Share of other comprehensive income of entities accounted for using equity method	2,982	(381)
Total other comprehensive income	5,963	3,606
Comprehensive income	14,158	14,019
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,325	12,394
Comprehensive income attributable to minority interests	832	1,625

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,490	11,461	27,767	(986)	48,733
Cumulative effects of changes in accounting policies					
Restated balance	10,490	11,461	27,767	(986)	48,733
Changes of items during period					
Dividends of surplus			(674)		(674)
Net income			7,426		7,426
Change of scope of consolidation			(339)		(339)
Change Of The Fiscal Term Of The Consolidated Subsidiary and Equity Method Affiliated Company			169		169
Purchase of treasury shares				(23)	(23)
Disposal of treasury shares		23		43	67
Net changes of items other than shareholders' equity					
Total changes of items during period	–	23	6,581	19	6,625
Balance at end of current period	10,490	11,485	34,348	(967)	55,358

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	223	(3,197)	–	(2,973)	6,781	52,541
Cumulative effects of changes in accounting policies						
Restated balance	223	(3,197)	–	(2,973)	6,781	52,541
Changes of items during period						
Dividends of surplus						(674)
Net income						7,426
Change of scope of consolidation						(339)
Change Of The Fiscal Term Of The Consolidated Subsidiary and Equity Method Affiliated Company						169
Purchase of treasury shares						(23)
Disposal of treasury shares						67
Net changes of items other than shareholders' equity	75	5,823	(2,666)	3,233	534	3,767
Total changes of items during period	75	5,823	(2,666)	3,233	534	10,392
Balance at end of current period	299	2,626	(2,666)	259	7,316	62,933

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,490	11,485	34,348	(967)	55,358
Cumulative effects of changes in accounting policies			(459)		(459)
Restated balance	10,490	11,485	33,889	(967)	54,898
Changes of items during period					
Dividends of surplus			(1,592)		(1,592)
Net income			9,510		9,510
Change of scope of consolidation			14		14
Change Of The Fiscal Term Of The Consolidated Subsidiary and Equity Method Affiliated Company					
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		17		32	50
Net changes of items other than shareholders' equity					
Total changes of items during period	–	17	7,931	27	7,976
Balance at end of current period	10,490	11,503	41,821	(940)	62,875

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	299	2,626	(2,666)	259	7,316	62,933
Cumulative effects of changes in accounting policies						(459)
Restated balance	299	2,626	(2,666)	259	7,316	62,474
Changes of items during period						
Dividends of surplus						(1,592)
Net income						9,510
Change of scope of consolidation						14
Change Of The Fiscal Term Of The Consolidated Subsidiary and Equity Method Affiliated Company						–
Purchase of treasury shares						(5)
Disposal of treasury shares						50
Net changes of items other than shareholders' equity	201	1,938	743	2,883	1,451	4,335
Total changes of items during period	201	1,938	743	2,883	1,451	12,311
Balance at end of current period	500	4,565	(1,922)	3,143	8,767	74,786

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	13,885	16,602
Depreciation	5,781	5,877
Share of (profit) loss of entities accounted for using equity method	(2,064)	(1,778)
Amortization of goodwill	709	639
Increase (decrease) in allowance for doubtful accounts	92	(468)
Increase (decrease) in provision for bonuses	23	20
Increase (decrease) in provision for directors' retirement benefits	(29)	(71)
Increase (decrease) in net defined benefit liability	570	426
Interest and dividend income	(367)	(430)
Interest expenses	679	629
Loss (gain) on sales and retirement of property, plant and equipment	67	148
Loss (gain) on sales of investment securities	(6)	0
Decrease (increase) in notes and accounts receivable - trade	(799)	(1,567)
Decrease (increase) in inventories	(264)	(1,275)
Decrease (increase) in other assets	(69)	(449)
Increase (decrease) in notes and accounts payable - trade	(25)	1,180
Increase (decrease) in notes discounted	(24)	—
Increase (decrease) in other liabilities	2,449	44
Other, net	(240)	582
Subtotal	20,366	20,112
Interest and dividend income received	367	414
Interest expenses paid	(666)	(631)
Income taxes paid	(3,732)	(5,808)
Net cash provided by (used in) operating activities	16,334	14,086
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,527)	(10,867)
Proceeds from sales of property, plant and equipment	227	348
Purchase of intangible assets	(939)	(595)
Purchase of investment securities	(1,066)	(1,373)
Payments into time deposits	(1,080)	(209)
Proceeds from withdrawal of time deposits	—	419
Purchase of shares of subsidiaries	(1,591)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(11)
Other, net	318	(361)
Net cash provided by (used in) investing activities	(11,659)	(12,652)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Increase in short-term loans payable	6,385	8,220
Decrease in short-term loans payable	(8,799)	(8,391)
Proceeds from long-term loans payable	11,308	12,150
Repayments of long-term loans payable	(10,218)	(12,293)
Proceeds from disposal of treasury shares of subsidiaries	149	160
Purchase of treasury shares	(23)	(5)
Cash dividends paid	(674)	(1,592)
Cash dividends paid to minority shareholders	(219)	(228)
Repayments of finance lease obligations	(67)	(64)
Net cash provided by (used in) financing activities	(2,159)	(2,044)
Effect of exchange rate change on cash and cash equivalents	997	763
Net increase (decrease) in cash and cash equivalents	3,512	152
Cash and cash equivalents at beginning of period	12,992	17,379
Increase in cash and cash equivalents from newly consolidated subsidiary	853	379
Increase By The Change Of The Fiscal Term Of The Consolidated Subsidiary	20	—
Cash and cash equivalents at end of period	17,379	17,911