

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 9, 2016

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
 Inquiries: Corporate Finance & Accounting Division TEL 03-3438-2291
 Scheduled date to file Quarterly Securities Report: November 14, 2016
 Scheduled date to commence dividend payments: December 2, 2016
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	68,051	(5.6)	4,950	(40.5)	4,370	(56.0)	2,182	(64.6)
Six months ended September 30, 2015	72,099	7.9	8,322	28.0	9,923	33.1	6,165	38.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	44.78	—
Six months ended September 30, 2015	127.59	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2016	144,463	65,200	41.1	1,217.32
As of March 31, 2016	154,807	72,402	42.3	1,343.99

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	20.00	—	25.00	45.00
Year ending March 31, 2017	—	20.00			
Year ending March 31, 2017 (Forecast)			—	25.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	135,100	(5.8)	10,400	(25.6)	10,200	(31.4)	5,700	(38.0)	116.90

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2016	49,757,821 shares	As of March 31, 2016	49,757,821 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	971,113 shares	As of March 31, 2016	1,067,225 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	48,734,015 shares	Six months ended September 30, 2015	48,326,601 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	20,692	18,009
Notes and accounts receivable - trade	30,071	27,872
Electronically recorded monetary claims - operating	1,731	2,521
Merchandise and finished goods	5,147	4,920
Work in process	7,726	7,418
Raw materials and supplies	4,890	4,924
Other	7,276	6,374
Allowance for doubtful accounts	(104)	(104)
Total current assets	77,431	71,936
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,823	18,682
Machinery, equipment and vehicles, net	18,779	18,234
Other, net	10,189	10,500
Total property, plant and equipment	48,792	47,416
Intangible assets		
Goodwill	4,173	3,858
Other	2,755	3,158
Total intangible assets	6,929	7,017
Investments and other assets		
Investment securities	16,009	12,653
Other	5,900	5,679
Allowance for doubtful accounts	(255)	(240)
Total investments and other assets	21,654	18,092
Total non-current assets	77,376	72,526
Total assets	154,807	144,463

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	7,940	5,831
Electronically recorded obligations - operating	7,603	8,192
Short-term loans payable	13,570	13,047
Income taxes payable	2,112	1,770
Provision for bonuses	2,279	2,859
Other provision	189	130
Other	11,884	10,278
Total current liabilities	45,581	42,111
Non-current liabilities		
Long-term loans payable	20,747	21,399
Provision	332	324
Net defined benefit liability	14,716	14,415
Other	1,026	1,011
Total non-current liabilities	36,823	37,151
Total liabilities	82,404	79,263
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,474	11,394
Retained earnings	48,951	50,055
Treasury shares	(998)	(810)
Total shareholders' equity	69,918	71,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377	338
Foreign currency translation adjustment	(479)	(8,070)
Remeasurements of defined benefit plans	(4,377)	(4,010)
Total accumulated other comprehensive income	(4,478)	(11,741)
Non-controlling interests	6,963	5,811
Total net assets	72,402	65,200
Total liabilities and net assets	154,807	144,463

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	72,099	68,051
Cost of sales	51,880	51,402
Gross profit	20,219	16,648
Selling, general and administrative expenses	11,896	11,698
Operating income	8,322	4,950
Non-operating income		
Interest income	175	162
Dividend income	19	17
Share of profit of entities accounted for using equity method	679	272
Foreign exchange gains	468	—
Other	697	365
Total non-operating income	2,041	818
Non-operating expenses		
Interest expenses	248	233
Contribution	100	5
Foreign exchange losses	—	1,064
Other	91	94
Total non-operating expenses	440	1,398
Ordinary income	9,923	4,370
Extraordinary income		
Gain on sales of non-current assets	2	10
Total extraordinary income	2	10
Extraordinary losses		
Loss on sales of non-current assets	6	2
Loss on retirement of non-current assets	32	28
Total extraordinary losses	39	31
Profit before income taxes	9,886	4,348
Income taxes	3,287	1,856
Profit	6,598	2,492
Profit attributable to non-controlling interests	432	310
Profit attributable to owners of parent	6,165	2,182

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	6,598	2,492
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	(38)
Foreign currency translation adjustment	(2,310)	(5,740)
Remeasurements of defined benefit plans, net of tax	216	312
Share of other comprehensive income of entities accounted for using equity method	62	(2,308)
Total other comprehensive income	(2,049)	(7,775)
Comprehensive income	4,548	(5,282)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,535	(5,081)
Comprehensive income attributable to non-controlling interests	13	(201)