

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 1, 2017

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
 Scheduled date to file Quarterly Securities Report: February 14, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	103,068	(3.3)	7,949	(32.6)	8,609	(37.1)	5,215	(37.8)
Nine months ended December 31, 2015	106,614	4.7	11,791	10.0	13,689	3.6	8,380	5.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	106.97	–
Nine months ended December 31, 2015	173.04	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2016	156,122	73,535	42.9	1,370.57
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)	116.86

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2016	49,757,821 shares	As of March 31, 2016	49,757,821 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2016	914,152 shares	As of March 31, 2016	1,067,225 shares
-------------------------	----------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	48,756,412 shares	Nine months ended December 31, 2015	48,430,024 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	20,692	20,716
Notes and accounts receivable - trade	30,071	29,221
Electronically recorded monetary claims - operating	1,731	3,017
Merchandise and finished goods	5,147	5,779
Work in process	7,726	7,490
Raw materials and supplies	4,890	5,682
Other	7,276	7,143
Allowance for doubtful accounts	(104)	(86)
Total current assets	77,431	78,965
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,823	19,074
Machinery, equipment and vehicles, net	18,779	19,683
Other, net	10,189	11,373
Total property, plant and equipment	48,792	50,131
Intangible assets		
Goodwill	4,173	3,761
Other	2,755	3,364
Total intangible assets	6,929	7,126
Investments and other assets		
Investment securities	16,009	14,421
Other	5,900	5,729
Allowance for doubtful accounts	(255)	(252)
Total investments and other assets	21,654	19,899
Total non-current assets	77,376	77,156
Total assets	154,807	156,122

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	7,940	7,292
Electronically recorded obligations - operating	7,603	8,965
Short-term loans payable	13,570	16,006
Income taxes payable	2,112	1,902
Provision for bonuses	2,279	1,548
Other provision	189	67
Other	11,884	11,139
Total current liabilities	45,581	46,922
Non-current liabilities		
Long-term loans payable	20,747	20,374
Provision	332	318
Net defined benefit liability	14,716	14,040
Other	1,026	930
Total non-current liabilities	36,823	35,664
Total liabilities	82,404	82,586
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,474	11,394
Retained earnings	48,951	52,107
Treasury shares	(998)	(698)
Total shareholders' equity	69,918	73,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377	464
Foreign currency translation adjustment	(479)	(2,917)
Remeasurements of defined benefit plans	(4,377)	(3,896)
Total accumulated other comprehensive income	(4,478)	(6,350)
Non-controlling interests	6,963	6,591
Total net assets	72,402	73,535
Total liabilities and net assets	154,807	156,122

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	106,614	103,068
Cost of sales	77,070	77,167
Gross profit	29,543	25,900
Selling, general and administrative expenses	17,751	17,951
Operating income	11,791	7,949
Non-operating income		
Interest income	239	257
Dividend income	25	38
Share of profit of entities accounted for using equity method	608	503
Foreign exchange gains	295	—
Other	1,315	686
Total non-operating income	2,484	1,486
Non-operating expenses		
Interest expenses	361	340
Contribution	100	6
Foreign exchange losses	—	348
Other	124	131
Total non-operating expenses	586	826
Ordinary income	13,689	8,609
Extraordinary income		
Gain on sales of non-current assets	8	45
Gain on sales of investment securities	—	22
Total extraordinary income	8	68
Extraordinary losses		
Loss on sales of non-current assets	8	6
Loss on retirement of non-current assets	63	68
Total extraordinary losses	71	75
Profit before income taxes	13,626	8,602
Income taxes	4,474	2,812
Profit	9,151	5,789
Profit attributable to non-controlling interests	771	574
Profit attributable to owners of parent	8,380	5,215

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	9,151	5,789
Other comprehensive income		
Valuation difference on available-for-sale securities	49	86
Foreign currency translation adjustment	(2,469)	(1,312)
Remeasurements of defined benefit plans, net of tax	334	511
Share of other comprehensive income of entities accounted for using equity method	(415)	(1,151)
Total other comprehensive income	(2,500)	(1,865)
Comprehensive income	6,651	3,924
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,284	3,343
Comprehensive income attributable to non-controlling interests	366	580