

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 1, 2017

Company name: Eagle Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6486 URL <https://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: August 10, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	36,440	5.2	3,258	11.9	4,558	103.4	2,893	134.3
Three months ended June 30, 2016	34,626	(5.4)	2,913	(37.2)	2,240	(57.4)	1,235	(63.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	59.21	–
Three months ended June 30, 2016	25.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2017	161,287	78,425	44.3	1,462.37
As of March 31, 2017	160,658	74,484	42.2	1,387.72

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, 2017	–	20.00	–	25.00	45.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	20.00	–	25.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	72,200	6.1	5,200	5.0	6,800	55.6	3,600	65.0	73.63
Full year	146,200	4.0	11,900	7.0	14,200	16.7	8,200	12.5	167.68

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
(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 June 30, 2017	49,757,821 shares	As of March 31, 2017	49,757,821 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	846,368 shares	As of March 31, 2017	889,678 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	48,879,497 shares	Three months ended June 30, 2016	48,702,577 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	22,663	18,477
Notes and accounts receivable - trade	28,815	27,764
Electronically recorded monetary claims - operating	3,725	5,607
Merchandise and finished goods	5,124	5,679
Work in process	7,092	7,911
Raw materials and supplies	5,584	5,513
Other	8,107	7,523
Allowance for doubtful accounts	(90)	(71)
Total current assets	81,024	78,406
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,971	20,076
Machinery, equipment and vehicles, net	20,010	21,466
Other, net	13,019	13,388
Total property, plant and equipment	53,002	54,931
Intangible assets		
Goodwill	3,622	3,516
Other	3,525	3,416
Total intangible assets	7,148	6,932
Investments and other assets		
Investment securities	13,613	15,246
Other	6,142	6,033
Allowance for doubtful accounts	(272)	(263)
Total investments and other assets	19,483	21,016
Total non-current assets	79,633	82,880
Total assets	160,658	161,287

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	8,022	8,011
Electronically recorded obligations - operating	8,912	6,469
Short-term loans payable	13,279	15,754
Income taxes payable	2,185	1,763
Provision for bonuses	2,345	1,616
Other provision	51	61
Other	12,244	12,175
Total current liabilities	47,042	45,852
Non-current liabilities		
Long-term loans payable	21,544	19,336
Provision	421	433
Net defined benefit liability	15,997	15,940
Other	1,167	1,298
Total non-current liabilities	39,131	37,009
Total liabilities	86,173	82,861
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,395	11,395
Retained earnings	54,182	55,849
Treasury shares	(650)	(565)
Total shareholders' equity	75,418	77,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	451	532
Foreign currency translation adjustment	(2,871)	(1,147)
Remeasurements of defined benefit plans	(5,183)	(5,028)
Total accumulated other comprehensive income	(7,603)	(5,643)
Non-controlling interests	6,669	6,899
Total net assets	74,484	78,425
Total liabilities and net assets	160,658	161,287

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	34,626	36,440
Cost of sales	25,830	26,967
Gross profit	8,796	9,472
Selling, general and administrative expenses	5,882	6,213
Operating profit	2,913	3,258
Non-operating income		
Interest income	38	46
Dividend income	14	9
Share of profit of entities accounted for using equity method	204	569
Foreign exchange gains	–	411
Other	199	425
Total non-operating income	458	1,463
Non-operating expenses		
Interest expenses	118	104
Foreign exchange losses	973	–
Contribution	5	0
Other	33	59
Total non-operating expenses	1,130	164
Ordinary profit	2,240	4,558
Extraordinary income		
Gain on sales of non-current assets	4	3
Total extraordinary income	4	3
Extraordinary losses		
Loss on sales of non-current assets	1	0
Loss on retirement of non-current assets	20	16
Provision for loss on guarantees	–	8
Total extraordinary losses	22	25
Profit before income taxes	2,223	4,536
Income taxes	744	1,296
Profit	1,478	3,239
Profit attributable to non-controlling interests	243	345
Profit attributable to owners of parent	1,235	2,893

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	1,478	3,239
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	80
Foreign currency translation adjustment	(5,022)	1,105
Remeasurements of defined benefit plans, net of tax	159	186
Share of other comprehensive income of entities accounted for using equity method	(1,797)	598
Total other comprehensive income	(6,718)	1,971
Comprehensive income	(5,239)	5,210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,997)	4,853
Comprehensive income attributable to non-controlling interests	(242)	357