

Translation

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

November 9, 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
 Inquiries: Corporate Finance & Accounting Division TEL 03-3438-2291
 Scheduled date to file Quarterly Securities Report: November 14, 2017
 Scheduled date to commence dividend payments: December 4, 2017
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	73,429	7.9	5,431	9.7	7,040	61.1	3,918	79.5
Six months ended September 30, 2016	68,051	(5.6)	4,950	(40.5)	4,370	(56.0)	2,182	(64.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	80.12	—
Six months ended September 30, 2016	44.78	—

(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, 2017	164,011	80,912	45.3	1,518.90
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	—	20.00			
Year ending March 31, 2018 (Forecast)			—	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
Full year	149,000	6.0	12,600	13.3	14,450	18.8	10,500	44.0	214.63

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2017	818,707 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)

Six months ended September 30, 2017	48,902,600 shares	Six months ended September 30, 2016	48,734,015 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	22,663	20,636
Notes and accounts receivable - trade	28,815	28,498
Electronically recorded monetary claims - operating	3,725	4,383
Merchandise and finished goods	5,124	6,014
Work in process	7,092	7,502
Raw materials and supplies	5,584	5,717
Other	8,107	7,530
Allowance for doubtful accounts	(90)	(77)
Total current assets	81,024	80,206
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,971	21,205
Machinery, equipment and vehicles, net	20,010	22,142
Other, net	13,019	12,844
Total property, plant and equipment	53,002	56,193
Intangible assets		
Goodwill	3,622	3,397
Other	3,525	3,344
Total intangible assets	7,148	6,742
Investments and other assets		
Investment securities	13,613	15,249
Other	6,142	5,888
Allowance for doubtful accounts	(272)	(268)
Total investments and other assets	19,483	20,869
Total non-current assets	79,633	83,805
Total assets	160,658	164,011

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	8,022	7,923
Electronically recorded obligations - operating	8,912	3,538
Short-term loans payable	13,279	14,137
Income taxes payable	2,185	2,078
Provision for bonuses	2,345	3,061
Other provision	51	38
Other	12,244	10,749
Total current liabilities	47,042	41,526
Non-current liabilities		
Long-term loans payable	21,544	23,958
Provision	421	435
Net defined benefit liability	15,997	15,835
Other	1,167	1,342
Total non-current liabilities	39,131	41,572
Total liabilities	86,173	83,098
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,395	11,395
Retained earnings	54,182	56,873
Treasury shares	(650)	(511)
Total shareholders' equity	75,418	78,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	451	544
Foreign currency translation adjustment	(2,871)	405
Remeasurements of defined benefit plans	(5,183)	(4,865)
Total accumulated other comprehensive income	(7,603)	(3,915)
Non-controlling interests	6,669	6,579
Total net assets	74,484	80,912
Total liabilities and net assets	160,658	164,011

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, 2016	Six months ended September 30, 2017
Net sales	68,051	73,429
Cost of sales	51,402	55,543
Gross profit	16,648	17,885
Selling, general and administrative expenses	11,698	12,454
Operating profit	4,950	5,431
Non-operating income		
Interest income	162	138
Dividend income	17	11
Share of profit of entities accounted for using equity method	272	447
Foreign exchange gains	–	721
Other	365	549
Total non-operating income	818	1,868
Non-operating expenses		
Interest expenses	233	207
Contribution	5	1
Foreign exchange losses	1,064	–
Other	94	51
Total non-operating expenses	1,398	260
Ordinary profit	4,370	7,040
Extraordinary income		
Gain on sales of non-current assets	10	5
Total extraordinary income	10	5
Extraordinary losses		
Loss on sales of non-current assets	2	1
Loss on retirement of non-current assets	28	29
Provision for loss on guarantees	–	8
Total extraordinary losses	31	39
Profit before income taxes	4,348	7,006
Income taxes	1,856	2,531
Profit	2,492	4,474
Profit attributable to non-controlling interests	310	556
Profit attributable to owners of parent	2,182	3,918

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	2,492	4,474
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	92
Foreign currency translation adjustment	(5,740)	1,985
Remeasurements of defined benefit plans, net of tax	312	375
Share of other comprehensive income of entities accounted for using equity method	(2,308)	1,241
Total other comprehensive income	(7,775)	3,694
Comprehensive income	(5,282)	8,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,081)	7,606
Comprehensive income attributable to non-controlling interests	(201)	563