

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 Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 1, 2018

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, 2018
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	38,585	5.9	2,619	(19.6)	3,442	(24.5)	2,119	(26.8)
Three months ended June 30, 2017	36,440	5.2	3,258	11.9	4,558	103.4	2,893	134.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	43.25	–
Three months ended June 30, 2017	59.21	–

(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, 2018	164,380	85,036	47.5	1,593.46
As of March 31, 2018	166,461	85,280	47.2	1,602.88

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, 2018	–	20.00	–	30.00	50.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		25.00	–	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	78,200	6.5	6,000	10.5	7,000	(0.6)	4,200	7.2	85.67
Full year	160,000	6.1	13,000	10.8	14,700	5.9	8,700	(16.4)	177.43

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
(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, 2018	49,757,821 shares	As of March 31, 2018	49,757,821 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2018	715,608 shares	As of March 31, 2018	756,982 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2018	49,009,733 shares	Three months ended June 30, 2017	48,879,497 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	21,710	20,685
Notes and accounts receivable - trade	29,009	28,558
Electronically recorded monetary claims - operating	4,821	4,316
Merchandise and finished goods	6,401	6,319
Work in process	7,801	7,927
Raw materials and supplies	5,626	5,958
Other	6,449	5,403
Allowance for doubtful accounts	(111)	(116)
Total current assets	81,710	79,053
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,998	20,792
Machinery, equipment and vehicles, net	21,746	21,746
Other, net	15,219	15,733
Total property, plant and equipment	57,964	58,272
Intangible assets		
Goodwill	3,287	3,148
Other	3,304	3,093
Total intangible assets	6,592	6,242
Investments and other assets		
Investment securities	12,698	13,343
Other	7,599	7,572
Allowance for doubtful accounts	(103)	(103)
Total investments and other assets	20,195	20,812
Total non-current assets	84,751	85,327
Total assets	166,461	164,380

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	9,222	8,273
Electronically recorded obligations - operating	3,521	3,580
Short-term loans payable	13,723	16,212
Income taxes payable	2,402	1,512
Provision for bonuses	2,432	1,624
Other provision	108	118
Other	10,812	11,776
Total current liabilities	42,222	43,098
Non-current liabilities		
Long-term loans payable	21,411	19,006
Provision	322	324
Net defined benefit liability	15,964	15,777
Other	1,260	1,136
Total non-current liabilities	38,958	36,245
Total liabilities	81,181	79,344
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,393	11,393
Retained earnings	62,375	63,022
Treasury shares	(390)	(309)
Total shareholders' equity	83,869	84,597
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	550	492
Foreign currency translation adjustment	(1,116)	(2,373)
Remeasurements of defined benefit plans	(4,761)	(4,569)
Total accumulated other comprehensive income	(5,327)	(6,451)
Non-controlling interests	6,738	6,889
Total net assets	85,280	85,036
Total liabilities and net assets	166,461	164,380

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, 2017	Three months ended June 30, 2018
Net sales	36,440	38,585
Cost of sales	26,967	29,223
Gross profit	9,472	9,361
Selling, general and administrative expenses	6,213	6,741
Operating profit	3,258	2,619
Non-operating income		
Interest income	46	64
Dividend income	9	10
Share of profit of entities accounted for using equity method	569	664
Foreign exchange gains	411	—
Other	425	234
Total non-operating income	1,463	973
Non-operating expenses		
Interest expenses	104	79
Foreign exchange losses	—	31
Contribution	0	0
Other	59	39
Total non-operating expenses	164	150
Ordinary profit	4,558	3,442
Extraordinary income		
Gain on sales of non-current assets	3	6
Total extraordinary income	3	6
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	16	7
Provision for loss on guarantees	8	5
Total extraordinary losses	25	15
Profit before income taxes	4,536	3,434
Income taxes	1,296	975
Profit	3,239	2,458
Profit attributable to non-controlling interests	345	338
Profit attributable to owners of parent	2,893	2,119

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	3,239	2,458
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(58)
Foreign currency translation adjustment	1,105	(960)
Remeasurements of defined benefit plans, net of tax	186	183
Share of other comprehensive income of entities accounted for using equity method	598	(346)
Total other comprehensive income	1,971	(1,182)
Comprehensive income	5,210	1,276
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,853	995
Comprehensive income attributable to non-controlling interests	357	280