

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 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: November 14, 2018
 Scheduled date to commence dividend payments: December 4, 2018
 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, 2018 (from April 1, 2018 to September 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	%
Six months ended September 30, 2018	75,546	2.9	5,006	(7.8)	6,714	(4.6)	4,142	5.7
Six months ended September 30, 2017	73,429	7.9	5,431	9.7	7,040	61.1	3,918	79.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	84.48	—
Six months ended September 30, 2017	80.12	—

(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, 2018	170,252	88,948	48.3	1,675.85
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	—	25.00			
Year ending March 31, 2019 (Forecast)			—	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
Full year	156,700	3.9	13,000	10.8	14,400	3.7	9,000	(13.5)	183.46

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2018	49,757,821 shares	As of March 31, 2018	49,757,821 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	679,768 shares	As of March 31, 2018	756,982 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, 2018	49,035,161 shares	Six months ended September 30, 2017	48,902,600 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	21,710	21,592
Notes and accounts receivable - trade	29,009	28,420
Electronically recorded monetary claims - operating	4,821	3,414
Merchandise and finished goods	6,401	6,789
Work in process	7,801	7,932
Raw materials and supplies	5,626	6,856
Other	6,449	6,309
Allowance for doubtful accounts	(111)	(115)
Total current assets	81,710	81,199
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,998	20,921
Machinery, equipment and vehicles, net	21,746	22,629
Other, net	15,219	18,557
Total property, plant and equipment	57,964	62,109
Intangible assets		
Goodwill	3,287	3,020
Other	3,304	3,026
Total intangible assets	6,592	6,047
Investments and other assets		
Investment securities	12,698	13,762
Other	7,599	7,239
Allowance for doubtful accounts	(103)	(106)
Total investments and other assets	20,195	20,896
Total non-current assets	84,751	89,052
Total assets	166,461	170,252

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	9,222	8,535
Electronically recorded obligations - operating	3,521	3,568
Short-term loans payable	13,723	13,950
Income taxes payable	2,402	1,860
Provision for bonuses	2,432	3,220
Other provision	108	115
Other	10,812	10,687
Total current liabilities	42,222	41,938
Non-current liabilities		
Long-term loans payable	21,411	22,126
Provision	322	326
Net defined benefit liability	15,964	15,777
Other	1,260	1,134
Total non-current liabilities	38,958	39,365
Total liabilities	81,181	81,303
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,393	11,393
Retained earnings	62,375	65,045
Treasury shares	(390)	(239)
Total shareholders' equity	83,869	86,691
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	550	503
Foreign currency translation adjustment	(1,116)	(540)
Remeasurements of defined benefit plans	(4,761)	(4,406)
Total accumulated other comprehensive income	(5,327)	(4,443)
Non-controlling interests	6,738	6,701
Total net assets	85,280	88,948
Total liabilities and net assets	166,461	170,252

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, 2017	Six months ended September 30, 2018
Net sales	73,429	75,546
Cost of sales	55,543	57,256
Gross profit	17,885	18,289
Selling, general and administrative expenses	12,454	13,283
Operating profit	5,431	5,006
Non-operating income		
Interest income	138	127
Dividend income	11	11
Share of profit of entities accounted for using equity method	447	1,118
Foreign exchange gains	721	285
Other	549	437
Total non-operating income	1,868	1,980
Non-operating expenses		
Interest expenses	207	178
Contribution	1	45
Other	51	48
Total non-operating expenses	260	272
Ordinary profit	7,040	6,714
Extraordinary income		
Gain on sales of non-current assets	5	18
Total extraordinary income	5	18
Extraordinary losses		
Loss on sales of non-current assets	1	4
Loss on retirement of non-current assets	29	13
Provision for loss on guarantees	8	–
Impairment loss	–	94
Total extraordinary losses	39	112
Profit before income taxes	7,006	6,620
Income taxes	2,531	1,932
Profit	4,474	4,688
Profit attributable to non-controlling interests	556	545
Profit attributable to owners of parent	3,918	4,142

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	4,474	4,688
Other comprehensive income		
Valuation difference on available-for-sale securities	92	(47)
Foreign currency translation adjustment	1,985	406
Remeasurements of defined benefit plans, net of tax	375	365
Share of other comprehensive income of entities accounted for using equity method	1,241	37
Total other comprehensive income	3,694	762
Comprehensive income	8,169	5,450
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,606	5,026
Comprehensive income attributable to non-controlling interests	563	424