

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 1, 2019

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: February 14, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	113,156	1.2	7,756	(13.2)	9,098	(17.1)	5,117	(40.2)
Nine months ended December 31, 2017	111,861	8.5	8,936	12.4	10,978	27.5	8,551	64.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	104.32	–
Nine months ended December 31, 2017	174.82	–

(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, 2018	169,182	87,073	47.4	1,632.40
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	151,600	0.5	10,300	(12.2)	11,600	(16.4)	6,900	(33.7)	140.64

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2018	672,133 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)

Nine months ended December 31, 2018	49,051,671 shares	Nine months ended December 31, 2017	48,917,850 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	21,710	20,960
Notes and accounts receivable - trade	29,009	27,410
Electronically recorded monetary claims - operating	4,821	3,146
Merchandise and finished goods	6,401	7,599
Work in process	7,801	7,833
Raw materials and supplies	5,626	7,066
Other	6,449	6,755
Allowance for doubtful accounts	(111)	(127)
Total current assets	81,710	80,644
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,998	21,097
Machinery, equipment and vehicles, net	21,746	22,717
Other, net	15,219	18,247
Total property, plant and equipment	57,964	62,062
Intangible assets		
Goodwill	3,287	2,868
Other	3,304	2,924
Total intangible assets	6,592	5,792
Investments and other assets		
Investment securities	12,698	13,458
Other	7,599	7,331
Allowance for doubtful accounts	(103)	(107)
Total investments and other assets	20,195	20,683
Total non-current assets	84,751	88,538
Total assets	166,461	169,182

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	9,222	7,047
Electronically recorded obligations - operating	3,521	3,392
Short-term loans payable	13,723	18,054
Income taxes payable	2,402	1,606
Provision for bonuses	2,432	1,798
Other provision	108	19
Other	10,812	11,275
Total current liabilities	42,222	43,194
Non-current liabilities		
Long-term loans payable	21,411	21,491
Provision	322	319
Net defined benefit liability	15,964	15,759
Other	1,260	1,345
Total non-current liabilities	38,958	38,915
Total liabilities	81,181	82,109
Net assets		
Shareholders' equity		
Capital stock	10,490	10,490
Capital surplus	11,393	11,310
Retained earnings	62,375	64,793
Treasury shares	(390)	(224)
Total shareholders' equity	83,869	86,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	550	474
Foreign currency translation adjustment	(1,116)	(2,518)
Remeasurements of defined benefit plans	(4,761)	(4,198)
Total accumulated other comprehensive income	(5,327)	(6,242)
Non-controlling interests	6,738	6,945
Total net assets	85,280	87,073
Total liabilities and net assets	166,461	169,182

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, 2017	Nine months ended December 31, 2018
Net sales	111,861	113,156
Cost of sales	84,395	85,791
Gross profit	27,466	27,365
Selling, general and administrative expenses	18,529	19,608
Operating profit	8,936	7,756
Non-operating income		
Interest income	205	217
Dividend income	18	18
Share of profit of entities accounted for using equity method	514	1,035
Foreign exchange gains	849	—
Other	886	671
Total non-operating income	2,474	1,943
Non-operating expenses		
Interest expenses	301	319
Contribution	1	46
Foreign exchange losses	—	58
Other	129	177
Total non-operating expenses	432	601
Ordinary profit	10,978	9,098
Extraordinary income		
Gain on sales of non-current assets	16	28
Gain on sales of investment securities	61	—
Gain on sales of shares of subsidiaries and associates	2,222	—
Total extraordinary income	2,300	28
Extraordinary losses		
Loss on sales of non-current assets	27	21
Loss on retirement of non-current assets	50	90
Provision for loss on guarantees	2	—
Impairment loss	—	94
Other	—	28
Total extraordinary losses	80	234
Profit before income taxes	13,197	8,891
Income taxes	3,807	2,941
Profit	9,389	5,950
Profit attributable to non-controlling interests	838	832
Profit attributable to owners of parent	8,551	5,117

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	9,389	5,950
Other comprehensive income		
Valuation difference on available-for-sale securities	208	(76)
Foreign currency translation adjustment	2,822	(1,277)
Remeasurements of defined benefit plans, net of tax	482	542
Share of other comprehensive income of entities accounted for using equity method	1,457	(237)
Total other comprehensive income	4,971	(1,048)
Comprehensive income	14,361	4,901
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,381	4,202
Comprehensive income attributable to non-controlling interests	980	699