

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 11, 2020

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 13, 2020
 Scheduled date to commence dividend payments: December 4, 2020
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	57,913	(19.9)	(222)	—	1,091	(76.5)	(994)	—
Six months ended September 30, 2019	72,290	(4.3)	4,036	(19.4)	4,652	(30.7)	2,414	(41.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	(20.26)	—
Six months ended September 30, 2019	49.20	—

(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, 2020	170,413	81,371	43.5	1,510.43
As of March 31, 2020	166,800	82,019	44.9	1,524.62

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, 2020	—	25.00	—	25.00	50.00
Year ending March 31, 2021	—	25.00			
Year ending March 31, 2021 (Forecast)			—	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	124,100	(12.7)	1,100	(80.9)	3,200	(52.7)	100	(96.6)	2.04

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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: Yes
- 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, 2020	49,757,821 shares	As of March 31, 2020	49,757,821 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	673,515 shares	As of March 31, 2020	673,253 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, 2020	49,084,469 shares	Six months ended September 30, 2019	49,085,286 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	21,438	29,901
Notes and accounts receivable - trade	27,152	—
Trade receivables and contract assets	—	25,651
Electronically recorded monetary claims - operating	3,092	3,046
Merchandise and finished goods	7,075	6,739
Work in process	5,794	6,369
Raw materials and supplies	9,699	9,678
Other	6,419	5,042
Allowance for doubtful accounts	(103)	(271)
Total current assets	80,567	86,156
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,666	23,267
Machinery, equipment and vehicles, net	24,755	24,509
Other, net	13,512	13,068
Total property, plant and equipment	61,934	60,846
Intangible assets		
Goodwill	2,167	1,918
Other	2,467	2,111
Total intangible assets	4,635	4,029
Investments and other assets		
Investment securities	11,365	12,085
Other	8,405	7,403
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	19,663	19,380
Total non-current assets	86,232	84,256
Total assets	166,800	170,413

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	7,503	6,117
Electronically recorded obligations - operating	3,031	1,811
Short-term borrowings	14,442	20,849
Income taxes payable	1,207	765
Provision for bonuses	2,603	3,185
Other provisions	1,025	885
Other	11,395	11,626
Total current liabilities	41,208	45,242
Non-current liabilities		
Long-term borrowings	22,690	23,129
Provisions	307	318
Retirement benefit liability	18,890	18,834
Other	1,684	1,516
Total non-current liabilities	43,572	43,799
Total liabilities	84,780	89,041
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,310	11,310
Retained earnings	66,745	64,446
Treasury shares	(225)	(225)
Total shareholders' equity	88,320	86,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	292	329
Foreign currency translation adjustment	(8,095)	(6,860)
Remeasurements of defined benefit plans	(5,682)	(5,352)
Total accumulated other comprehensive income	(13,485)	(11,883)
Non-controlling interests	7,184	7,233
Total net assets	82,019	81,371
Total liabilities and net assets	166,800	170,413

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, 2019	Six months ended September 30, 2020
Net sales	72,290	57,913
Cost of sales	55,202	46,247
Gross profit	17,088	11,666
Selling, general and administrative expenses	13,051	11,888
Operating profit (loss)	4,036	(222)
Non-operating income		
Interest income	114	130
Dividend income	13	10
Share of profit of entities accounted for using equity method	1,035	1,126
Other	363	604
Total non-operating income	1,526	1,871
Non-operating expenses		
Interest expenses	200	204
Foreign exchange losses	562	—
Donations	0	0
Loss on mothballing of operation	—	258
Other	146	93
Total non-operating expenses	910	557
Ordinary profit	4,652	1,091
Extraordinary income		
Gain on sales of non-current assets	12	0
Total extraordinary income	12	0
Extraordinary losses		
Loss on sales of non-current assets	41	2
Loss on retirement of non-current assets	102	14
Total extraordinary losses	144	17
Profit before income taxes	4,521	1,075
Income taxes	1,280	1,457
Profit (loss)	3,241	(382)
Profit attributable to non-controlling interests	826	612
Profit (loss) attributable to owners of parent	2,414	(994)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss)	3,241	(382)
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	37
Foreign currency translation adjustment	(2,869)	905
Remeasurements of defined benefit plans, net of tax	331	357
Share of other comprehensive income of entities accounted for using equity method	(1,011)	302
Total other comprehensive income	(3,590)	1,601
Comprehensive income	(349)	1,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(925)	606
Comprehensive income attributable to non-controlling interests	575	612