

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 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: August 9, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	36,370	(5.7)	1,889	(27.9)	2,321	(32.6)	1,244	(41.3)
Three months ended June 30, 2018	38,585	5.9	2,619	(19.6)	3,442	(24.5)	2,119	(26.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	25.35		–	
Three months ended June 30, 2018	43.25		–	

(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, 2019	168,476	86,814	47.2	1,621.27
As of March 31, 2019	172,433	88,886	47.4	1,665.52

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	25.00	–	25.00	50.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	25.00	–	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	73,700	(2.4)	3,200	(36.1)	4,200	(37.4)	2,200	(46.9)	44.82
Full year	151,000	1.1	7,900	(19.0)	9,900	(15.4)	5,600	(20.4)	114.09

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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 June 30, 2019	49,757,821 shares	As of March 31, 2019	49,757,821 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	672,574 shares	As of March 31, 2019	672,283 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	49,085,341 shares	Three months ended June 30, 2018	49,009,733 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	21,349	18,877
Notes and accounts receivable - trade	28,669	28,482
Electronically recorded monetary claims - operating	2,902	2,968
Merchandise and finished goods	7,158	6,655
Work in process	7,686	5,689
Raw materials and supplies	7,201	9,013
Other	6,867	6,894
Allowance for doubtful accounts	(90)	(78)
Total current assets	81,744	78,502
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,894	22,800
Machinery, equipment and vehicles, net	23,481	24,641
Other, net	18,237	16,017
Total property, plant and equipment	63,614	63,460
Intangible assets		
Goodwill	2,726	2,582
Other	2,874	2,738
Total intangible assets	5,601	5,320
Investments and other assets		
Investment securities	13,476	13,165
Other	8,105	8,137
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	21,473	21,193
Total non-current assets	90,688	89,974
Total assets	172,433	168,476

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	7,945	6,380
Electronically recorded obligations - operating	2,907	2,873
Short-term borrowings	14,505	16,927
Income taxes payable	2,059	1,100
Provision for bonuses	2,509	1,838
Other provisions	6	10
Other	11,521	13,197
Total current liabilities	41,456	42,328
Non-current liabilities		
Long-term borrowings	23,391	20,784
Provisions	318	318
Retirement benefit liability	16,681	16,605
Other	1,700	1,623
Total non-current liabilities	42,091	39,332
Total liabilities	83,547	81,661
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,310	11,310
Retained earnings	66,708	66,308
Treasury shares	(224)	(224)
Total shareholders' equity	88,285	87,884
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	470	430
Foreign currency translation adjustment	(2,414)	(4,318)
Remeasurements of defined benefit plans	(4,588)	(4,417)
Total accumulated other comprehensive income	(6,532)	(8,304)
Non-controlling interests	7,133	7,234
Total net assets	88,886	86,814
Total liabilities and net assets	172,433	168,476

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, 2018	Three months ended June 30, 2019
Net sales	38,585	36,370
Cost of sales	29,223	28,249
Gross profit	9,361	8,121
Selling, general and administrative expenses	6,741	6,231
Operating profit	2,619	1,889
Non-operating income		
Interest income	64	53
Dividend income	10	11
Share of profit of entities accounted for using equity method	664	651
Other	234	178
Total non-operating income	973	895
Non-operating expenses		
Interest expenses	79	105
Foreign exchange losses	31	294
Donations	0	0
Other	39	63
Total non-operating expenses	150	463
Ordinary profit	3,442	2,321
Extraordinary income		
Gain on sales of non-current assets	6	2
Total extraordinary income	6	2
Extraordinary losses		
Loss on sales of non-current assets	2	8
Loss on retirement of non-current assets	7	50
Provision for loss on guarantees	5	-
Total extraordinary losses	15	59
Profit before income taxes	3,434	2,265
Income taxes	975	634
Profit	2,458	1,630
Profit attributable to non-controlling interests	338	386
Profit attributable to owners of parent	2,119	1,244

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,458	1,630
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	(39)
Foreign currency translation adjustment	(960)	(1,565)
Remeasurements of defined benefit plans, net of tax	183	165
Share of other comprehensive income of entities accounted for using equity method	(346)	(489)
Total other comprehensive income	(1,182)	(1,929)
Comprehensive income	1,276	(298)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	995	(527)
Comprehensive income attributable to non-controlling interests	280	229