

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 12, 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: November 13, 2019  
 Scheduled date to commence dividend payments: December 4, 2019  
 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, 2019 (from April 1, 2019 to September 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	%
Six months ended September 30, 2019	72,290	(4.3)	4,036	(19.4)	4,652	(30.7)	2,414	(41.7)
Six months ended September 30, 2018	75,546	2.9	5,006	(7.8)	6,714	(4.6)	4,142	5.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	49.20	—
Six months ended September 30, 2018	84.48	—

#### (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, 2019	169,944	86,530	46.6	1,613.18
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	Yen	Yen	Yen	Yen
Year ended March 31, 2019	—	25.00	—	25.00	50.00
Year ending March 31, 2020	—	25.00			
Year ending March 31, 2020 (Forecast)			—	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
Full year	146,000	(2.3)	6,600	(32.3)	7,600	(35.1)	4,100	(41.7)	83.53

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2019	672,624 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)

Six months ended September 30, 2019	49,085,286 shares	Six months ended September 30, 2018	49,035,161 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	21,349	21,871
Notes and accounts receivable - trade	28,669	28,281
Electronically recorded monetary claims - operating	2,902	2,205
Merchandise and finished goods	7,158	6,949
Work in process	7,686	5,858
Raw materials and supplies	7,201	9,514
Other	6,867	5,807
Allowance for doubtful accounts	(90)	(77)
Total current assets	81,744	80,410
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,894	22,800
Machinery, equipment and vehicles, net	23,481	24,294
Other, net	18,237	16,439
Total property, plant and equipment	63,614	63,534
Intangible assets		
Goodwill	2,726	2,440
Other	2,874	2,607
Total intangible assets	5,601	5,048
Investments and other assets		
Investment securities	13,476	13,024
Other	8,105	8,034
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	21,473	20,950
Total non-current assets	90,688	89,534
Total assets	172,433	169,944

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	7,945	7,746
Electronically recorded obligations - operating	2,907	2,944
Short-term borrowings	14,505	14,662
Income taxes payable	2,059	1,172
Provision for bonuses	2,509	3,322
Other provisions	6	37
Other	11,521	12,120
Total current liabilities	41,456	42,006
Non-current liabilities		
Long-term borrowings	23,391	23,008
Provisions	318	315
Retirement benefit liability	16,681	16,606
Other	1,700	1,477
Total non-current liabilities	42,091	41,407
Total liabilities	83,547	83,414
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,310	11,310
Retained earnings	66,708	67,479
Treasury shares	(224)	(224)
Total shareholders' equity	88,285	89,055
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	470	428
Foreign currency translation adjustment	(2,414)	(6,064)
Remeasurements of defined benefit plans	(4,588)	(4,236)
Total accumulated other comprehensive income	(6,532)	(9,872)
Non-controlling interests	7,133	7,347
Total net assets	88,886	86,530
Total liabilities and net assets	172,433	169,944

**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, 2018	Six months ended September 30, 2019
Net sales	75,546	72,290
Cost of sales	57,256	55,202
Gross profit	18,289	17,088
Selling, general and administrative expenses	13,283	13,051
Operating profit	5,006	4,036
Non-operating income		
Interest income	127	114
Dividend income	11	13
Share of profit of entities accounted for using equity method	1,118	1,035
Foreign exchange gains	285	—
Other	437	363
Total non-operating income	1,980	1,526
Non-operating expenses		
Interest expenses	178	200
Foreign exchange losses	—	562
Donations	45	0
Other	48	146
Total non-operating expenses	272	910
Ordinary profit	6,714	4,652
Extraordinary income		
Gain on sales of non-current assets	18	12
Total extraordinary income	18	12
Extraordinary losses		
Loss on sales of non-current assets	4	41
Loss on retirement of non-current assets	13	102
Impairment loss	94	—
Total extraordinary losses	112	144
Profit before income taxes	6,620	4,521
Income taxes	1,932	1,280
Profit	4,688	3,241
Profit attributable to non-controlling interests	545	826
Profit attributable to owners of parent	4,142	2,414

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	4,688	3,241
Other comprehensive income		
Valuation difference on available-for-sale securities	(47)	(41)
Foreign currency translation adjustment	406	(2,869)
Remeasurements of defined benefit plans, net of tax	365	331
Share of other comprehensive income of entities accounted for using equity method	37	(1,011)
Total other comprehensive income	762	(3,590)
Comprehensive income	5,450	(349)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,026	(925)
Comprehensive income attributable to non-controlling interests	424	575