

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 3, 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: February 13, 2020  
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	107,538	(5.0)	3,990	(48.6)	4,907	(46.1)	2,311	(54.8)
Nine months ended December 31, 2018	113,156	1.2	7,756	(13.2)	9,098	(17.1)	5,117	(40.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	47.09	–
Nine months ended December 31, 2018	104.32	–

#### (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, 2019	173,198	87,163	46.0	1,624.62
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 nine months ended December 31, 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 December 31, 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 December 31, 2019	673,103 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)

Nine months ended December 31, 2019	49,085,196 shares	Nine months ended December 31, 2018	49,051,671 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	21,349	23,194
Notes and accounts receivable - trade	28,669	28,096
Electronically recorded monetary claims - operating	2,902	2,559
Merchandise and finished goods	7,158	7,174
Work in process	7,686	6,049
Raw materials and supplies	7,201	8,954
Other	6,867	7,032
Allowance for doubtful accounts	(90)	(102)
Total current assets	81,744	82,960
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,894	25,038
Machinery, equipment and vehicles, net	23,481	26,152
Other, net	18,237	13,677
Total property, plant and equipment	63,614	64,867
Intangible assets		
Goodwill	2,726	2,307
Other	2,874	2,488
Total intangible assets	5,601	4,796
Investments and other assets		
Investment securities	13,476	12,834
Other	8,105	7,847
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	21,473	20,574
Total non-current assets	90,688	90,237
Total assets	172,433	173,198

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	7,945	8,868
Electronically recorded obligations - operating	2,907	2,947
Short-term borrowings	14,505	17,621
Income taxes payable	2,059	604
Provision for bonuses	2,509	1,893
Other provisions	6	1,038
Other	11,521	11,785
Total current liabilities	41,456	44,758
Non-current liabilities		
Long-term borrowings	23,391	22,815
Provisions	318	309
Retirement benefit liability	16,681	16,685
Other	1,700	1,464
Total non-current liabilities	42,091	41,276
Total liabilities	83,547	86,034
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,310	11,310
Retained earnings	66,708	66,148
Treasury shares	(224)	(225)
Total shareholders' equity	88,285	87,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	470	461
Foreign currency translation adjustment	(2,414)	(4,082)
Remeasurements of defined benefit plans	(4,588)	(4,359)
Total accumulated other comprehensive income	(6,532)	(7,980)
Non-controlling interests	7,133	7,419
Total net assets	88,886	87,163
Total liabilities and net assets	172,433	173,198

**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, 2018	Nine months ended December 31, 2019
Net sales	113,156	107,538
Cost of sales	85,791	84,409
Gross profit	27,365	23,128
Selling, general and administrative expenses	19,608	19,138
Operating profit	7,756	3,990
Non-operating income		
Interest income	217	198
Dividend income	18	21
Share of profit of entities accounted for using equity method	1,035	1,071
Other	671	513
Total non-operating income	1,943	1,804
Non-operating expenses		
Interest expenses	319	304
Donations	46	6
Foreign exchange losses	58	312
Other	177	264
Total non-operating expenses	601	888
Ordinary profit	9,098	4,907
Extraordinary income		
Gain on sales of non-current assets	28	22
Total extraordinary income	28	22
Extraordinary losses		
Loss on sales of non-current assets	21	42
Loss on retirement of non-current assets	90	127
Impairment loss	94	—
Other	28	—
Total extraordinary losses	234	169
Profit before income taxes	8,891	4,759
Income taxes	2,941	1,638
Profit	5,950	3,121
Profit attributable to non-controlling interests	832	810
Profit attributable to owners of parent	5,117	2,311

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	5,950	3,121
Other comprehensive income		
Valuation difference on available-for-sale securities	(76)	(8)
Foreign currency translation adjustment	(1,277)	(838)
Remeasurements of defined benefit plans, net of tax	542	436
Share of other comprehensive income of entities accounted for using equity method	(237)	(1,199)
Total other comprehensive income	(1,048)	(1,611)
Comprehensive income	4,901	1,510
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,202	863
Comprehensive income attributable to non-controlling interests	699	646