

# Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 14, 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  
 Inquiries: Sumio Ikeda TEL 03-3438-2291  
 Corporate Finance & Accounting Division  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2020  
 Scheduled date to file Securities Report: June 24, 2020  
 Scheduled date to commence dividend payments: June 25, 2020  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### (1) Consolidated operating results

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                         | %      |
| Year ended March 31, 2020 | 142,106         | (4.9) | 5,772            | (40.8) | 6,766           | (42.2) | 2,907                                   | (58.7) |
| Year ended March 31, 2019 | 149,361         | (1.0) | 9,755            | (16.8) | 11,703          | (15.7) | 7,032                                   | (32.4) |

|                           | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|---------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
|                           | Yen                | Yen                        | %  | %                            | %                          |
| Year ended March 31, 2020 | 59.24              | —                          | 3.7  | 4.0                          | 4.1                        |
| Year ended March 31, 2019 | 143.35             | —                          | 8.8  | 6.9                          | 6.5                        |

#### (2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
|                      | Millions of yen | Millions of yen | %            | Yen                  |
| As of March 31, 2020 | 166,800         | 82,019          | 44.9         | 1,524.62             |
| As of March 31, 2019 | 172,433         | 88,886          | 47.4         | 1,665.52             |

#### (3) Consolidated cash flows

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                           | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Year ended March 31, 2020 | 16,043                               | (10,888)                             | (4,064)                              | 20,089                                     |
| Year ended March 31, 2019 | 14,614                               | (14,325)                             | (707)                                | 19,733                                     |

### 2. Cash dividends

|                                       | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
|                                       | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |                                      |   |
|                                       | Yen                        | Yen             | Yen             | Yen             | Yen   | Millions of yen              | %                                    | %   |
| Year ended March 31, 2019             | —                          | 25.00           | —               | 25.00           | 50.00 | 2,454                        | 34.9                                 | 3.1   |
| Year ended March 31, 2020             | —                          | 25.00           | —               | 25.00           | 50.00 | 2,454                        | 84.4                                 | 3.1   |
| Year ending March 31, 2021 (Forecast) | —                          | —               | —               | —               | —     | —                            | —                                    | —   |

### 3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

#### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

|                      |                   |                      |                   |
|----------------------|-------------------|----------------------|-------------------|
| As of March 31, 2020 | 49,757,821 shares | As of March 31, 2019 | 49,757,821 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                      |                |                      |                |
|----------------------|----------------|----------------------|----------------|
| As of March 31, 2020 | 673,253 shares | As of March 31, 2019 | 672,283 shares |
|----------------------|----------------|----------------------|----------------|

Average number of shares during the period

|                           |                   |                           |                   |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2020 | 49,085,063 shares | Year ended March 31, 2019 | 49,060,041 shares |
|---------------------------|-------------------|---------------------------|-------------------|

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|   | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Assets  |                      |                      |
| Current assets                                      |                      |                      |
| Cash and deposits                                   | 21,349               | 21,438               |
| Notes and accounts receivable - trade               | 28,669               | 27,152               |
| Electronically recorded monetary claims - operating | 2,902                | 3,092                |
| Merchandise and finished goods                      | 7,158                | 7,075                |
| Work in process                                     | 7,686                | 5,794                |
| Raw materials and supplies                          | 7,201                | 9,699                |
| Accounts receivable - other                         | 2,713                | 2,992                |
| Other   | 4,153                | 3,427                |
| Allowance for doubtful accounts                     | (90)                 | (103)                |
| Total current assets                                | 81,744               | 80,567               |
| Non-current assets                                  |                      |                      |
| Property, plant and equipment                       |                      |                      |
| Buildings and structures                            | 40,475               | 43,153               |
| Accumulated depreciation                            | (18,580)             | (19,486)             |
| Buildings and structures, net                       | 21,894               | 23,666               |
| Machinery, equipment and vehicles                   | 73,735               | 75,920               |
| Accumulated depreciation                            | (50,253)             | (51,165)             |
| Machinery, equipment and vehicles, net              | 23,481               | 24,755               |
| Tools, furniture and fixtures                       | 13,139               | 13,854               |
| Accumulated depreciation                            | (9,647)              | (10,403)             |
| Tools, furniture and fixtures, net                  | 3,491                | 3,451                |
| Land  | 6,230                | 5,916                |
| Leased assets                                       | 1,532                | 1,695                |
| Accumulated depreciation                            | (431)                | (751)                |
| Leased assets, net                                  | 1,100                | 943                  |
| Construction in progress                            | 7,414                | 3,200                |
| Total property, plant and equipment                 | 63,614               | 61,934               |
| Intangible assets                                   |                      |                      |
| Goodwill  | 2,726                | 2,167                |
| Other   | 2,874                | 2,467                |
| Total intangible assets                             | 5,601                | 4,635                |
| Investments and other assets                        |                      |                      |
| Investment securities                               | 13,476               | 11,365               |
| Long-term loans receivable                          | 852                  | 710                  |
| Deferred tax assets                                 | 5,634                | 6,167                |
| Other   | 1,618                | 1,527                |
| Allowance for doubtful accounts                     | (108)                | (108)                |
| Total investments and other assets                  | 21,473               | 19,663               |
| Total non-current assets                            | 90,688               | 86,232               |
| Total assets  | 172,433              | 166,800              |

(Millions of yen)

|  | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| Liabilities  |                      |                      |
| Current liabilities  |                      |                      |
| Accounts payable - trade   | 7,945                | 7,503                |
| Electronically recorded obligations - operating                      | 2,907                | 3,031                |
| Short-term borrowings  | 2,649                | 2,493                |
| Current portion of long-term borrowings                              | 11,855               | 11,948               |
| Accounts payable - other   | 2,901                | 2,395                |
| Lease obligations  | 275                  | 381                  |
| Income taxes payable   | 2,059                | 1,207                |
| Deposits received from employees                                     | 3,748                | 3,914                |
| Provision for bonuses  | 2,509                | 2,603                |
| Provision for loss on order received                                 | —                    | 1,020                |
| Other provisions   | 6                    | 5                    |
| Other  | 4,595                | 4,703                |
| Total current liabilities  | 41,456               | 41,208               |
| Non-current liabilities  |                      |                      |
| Long-term borrowings   | 23,391               | 22,690               |
| Lease obligations  | 775                  | 757                  |
| Retirement benefit liability   | 16,681               | 18,890               |
| Provision for retirement benefits for directors (and other officers) | 17                   | 10                   |
| Provision for environmental measures                                 | 300                  | 297                  |
| Negative goodwill  | 109                  | 93                   |
| Other  | 815                  | 832                  |
| Total non-current liabilities  | 42,091               | 43,572               |
| Total liabilities  | 83,547               | 84,780               |
| Net assets   |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 10,490               | 10,490               |
| Capital surplus  | 11,310               | 11,310               |
| Retained earnings  | 66,708               | 66,745               |
| Treasury shares  | (224)                | (225)                |
| Total shareholders' equity   | 88,285               | 88,320               |
| Accumulated other comprehensive income                               |                      |                      |
| Valuation difference on available-for-sale securities                | 470                  | 292                  |
| Foreign currency translation adjustment                              | (2,414)              | (8,095)              |
| Remeasurements of defined benefit plans                              | (4,588)              | (5,682)              |
| Total accumulated other comprehensive income                         | (6,532)              | (13,485)             |
| Non-controlling interests  | 7,133                | 7,184                |
| Total net assets   | 88,886               | 82,019               |
| Total liabilities and net assets                                     | 172,433              | 166,800              |

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 149,361                             | 142,106                             |
| Cost of sales   | 113,910                             | 111,315                             |
| Gross profit  | 35,450                              | 30,790                              |
| Selling, general and administrative expenses                  | 25,695                              | 25,018                              |
| Operating profit  | 9,755                               | 5,772                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 235                                 | 268                                 |
| Dividend income   | 25                                  | 28                                  |
| Rental income   | 123                                 | 118                                 |
| Share of profit of entities accounted for using equity method | 1,718                               | 1,503                               |
| Other   | 793                                 | 494                                 |
| Total non-operating income                                    | 2,897                               | 2,413                               |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 399                                 | 409                                 |
| Donations   | 49                                  | 8                                   |
| Foreign exchange losses                                       | 144                                 | 626                                 |
| Other   | 356                                 | 374                                 |
| Total non-operating expenses                                  | 949                                 | 1,419                               |
| Ordinary profit   | 11,703                              | 6,766                               |
| Extraordinary income  |                                     |                                     |
| Gain on sales of non-current assets                           | 37                                  | 30                                  |
| Total extraordinary income                                    | 37                                  | 30                                  |
| Extraordinary losses  |                                     |                                     |
| Loss on sales of non-current assets                           | 25                                  | 42                                  |
| Loss on retirement of non-current assets                      | 107                                 | 201                                 |
| Impairment loss   | 92                                  | –                                   |
| Loss on valuation of investment securities                    | 34                                  | 16                                  |
| Total extraordinary losses                                    | 260                                 | 260                                 |
| Profit before income taxes                                    | 11,480                              | 6,536                               |
| Income taxes - current  | 4,050                               | 2,588                               |
| Income taxes - deferred                                       | (819)                               | (113)                               |
| Total income taxes  | 3,230                               | 2,474                               |
| Profit  | 8,249                               | 4,061                               |
| Profit attributable to non-controlling interests              | 1,216                               | 1,153                               |
| Profit attributable to owners of parent                       | 7,032                               | 2,907                               |

## Consolidated statements of comprehensive income

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 8,249                               | 4,061                               |
| Other comprehensive income   |                                     |                                     |
| Valuation difference on available-for-sale securities                                | (80)                                | (178)                               |
| Foreign currency translation adjustment  | (993)                               | (4,586)                             |
| Remeasurements of defined benefit plans, net of tax                                  | 145                                 | (896)                               |
| Share of other comprehensive income of entities accounted<br>for using equity method | (318)                               | (1,788)                             |
| Total other comprehensive income   | (1,247)                             | (7,449)                             |
| Comprehensive income   | 7,001                               | (3,387)                             |
| Comprehensive income attributable to   |                                     |                                     |
| Comprehensive income attributable to owners of parent                                | 5,827                               | (4,045)                             |
| Comprehensive income attributable to non-controlling<br>interests                    | 1,174                               | 657                                 |

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 10,490               | 11,393          | 62,375            | (390)           | 83,869                     |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (2,699)           |                 | (2,699)                    |
| Profit attributable to owners of parent   |                      |                 | 7,032             |                 | 7,032                      |
| Change in scope of consolidation  |                      |                 |                   |                 | —                          |
| Purchase of treasury shares   |                      |                 |                   | (0)             | (0)                        |
| Disposal of treasury shares   |                      |                 |                   | 167             | 167                        |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (83)            |                   |                 | (83)                       |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | (83)            | 4,332             | 166             | 4,415                      |
| Balance at end of period  | 10,490               | 11,310          | 66,708            | (224)           | 88,285                     |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 550   | (1,116)                                 | (4,761)                                 | (5,327)                                      | 6,738                     | 85,280           |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (2,699)          |
| Profit attributable to owners of parent   |   |   |   |  |                           | 7,032            |
| Change in scope of consolidation  |   |   |   |  |                           | —                |
| Purchase of treasury shares   |   |   |   |  |                           | (0)              |
| Disposal of treasury shares   |   |   |   |  |                           | 167              |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |   |   |  |                           | (83)             |
| Net changes in items other than shareholders' equity                                      | (80)  | (1,298)                                 | 173                                     | (1,205)                                      | 395                       | (809)            |
| Total changes during period   | (80)  | (1,298)                                 | 173                                     | (1,205)                                      | 395                       | 3,605            |
| Balance at end of period  | 470   | (2,414)                                 | (4,588)                                 | (6,532)                                      | 7,133                     | 88,886           |

Fiscal year ended March 31, 2020

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 10,490               | 11,310          | 66,708            | (224)           | 88,285                     |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (2,454)           |                 | (2,454)                    |
| Profit attributable to owners of parent   |                      |                 | 2,907             |                 | 2,907                      |
| Change in scope of consolidation  |                      |                 | (416)             |                 | (416)                      |
| Purchase of treasury shares   |                      |                 |                   | (1)             | (1)                        |
| Disposal of treasury shares   |                      |                 |                   |                 | —                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      |                 |                   |                 | —                          |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | —                    | —               | 36                | (1)             | 35                         |
| Balance at end of period  | 10,490               | 11,310          | 66,745            | (225)           | 88,320                     |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 470   | (2,414)                                 | (4,588)                                 | (6,532)                                      | 7,133                     | 88,886           |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (2,454)          |
| Profit attributable to owners of parent   |   |   |   |  |                           | 2,907            |
| Change in scope of consolidation  |   |   |   |  |                           | (416)            |
| Purchase of treasury shares   |   |   |   |  |                           | (1)              |
| Disposal of treasury shares   |   |   |   |  |                           | —                |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |   |   |  |                           | —                |
| Net changes in items other than shareholders' equity                                      | (178)   | (5,680)                                 | (1,094)                                 | (6,952)                                      | 50                        | (6,902)          |
| Total changes during period   | (178)   | (5,680)                                 | (1,094)                                 | (6,952)                                      | 50                        | (6,866)          |
| Balance at end of period  | 292   | (8,095)                                 | (5,682)                                 | (13,485)                                     | 7,184                     | 82,019           |



## Consolidated statements of cash flows

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities  |                                     |                                     |
| Profit before income taxes  | 11,480                              | 6,536                               |
| Depreciation  | 8,901                               | 9,841                               |
| Impairment loss   | 92                                  | —                                   |
| Share of loss (profit) of entities accounted for using equity method                        | (1,718)                             | (1,503)                             |
| Amortization of goodwill  | 543                                 | 535                                 |
| Increase (decrease) in allowance for doubtful accounts                                      | (15)                                | 18                                  |
| Increase (decrease) in provision for bonuses  | 80                                  | 28                                  |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 2                                   | (5)                                 |
| Increase (decrease) in retirement benefit liability   | 728                                 | 91                                  |
| Interest and dividend income  | (261)                               | (296)                               |
| Interest expenses   | 399                                 | 409                                 |
| Loss (gain) on sales and retirement of property, plant and equipment                        | 95                                  | 212                                 |
| Loss (gain) on valuation of investment securities   | 34                                  | 16                                  |
| Decrease (increase) in trade receivables  | 1,924                               | 176                                 |
| Decrease (increase) in inventories  | (2,403)                             | (1,213)                             |
| Decrease (increase) in other assets   | (78)                                | 469                                 |
| Increase (decrease) in trade payables   | (1,656)                             | 434                                 |
| Increase (decrease) in provision for loss on order received                                 | —                                   | 1,020                               |
| Increase (decrease) in other liabilities  | 192                                 | 156                                 |
| Other, net  | 267                                 | 985                                 |
| Subtotal  | 18,608                              | 17,913                              |
| Interest and dividends received   | 800                                 | 1,935                               |
| Interest paid   | (403)                               | (415)                               |
| Income taxes paid   | (4,391)                             | (3,390)                             |
| Net cash provided by (used in) operating activities   | 14,614                              | 16,043                              |
| Cash flows from investing activities  |                                     |                                     |
| Purchase of property, plant and equipment   | (13,480)                            | (10,313)                            |
| Proceeds from sales of property, plant and equipment  | 212                                 | 309                                 |
| Purchase of intangible assets   | (599)                               | (639)                               |
| Purchase of investment securities   | (42)                                | (809)                               |
| Proceeds from sales of investment securities  | 29                                  | 5                                   |
| Payments into time deposits   | (1,626)                             | (414)                               |
| Proceeds from withdrawal of time deposits   | 1,241                               | 741                                 |
| Other, net  | (58)                                | 232                                 |
| Net cash provided by (used in) investing activities   | (14,325)                            | (10,888)                            |

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from financing activities   |                                     |                                     |
| Proceeds from short-term borrowings  | 9,886                               | 6,554                               |
| Repayments of short-term borrowings  | (9,640)                             | (6,644)                             |
| Proceeds from long-term borrowings   | 15,000                              | 12,000                              |
| Repayments of long-term borrowings   | (12,429)                            | (12,599)                            |
| Proceeds from sales of treasury shares   | 145                                 | —                                   |
| Purchase of treasury shares  | (0)                                 | (1)                                 |
| Dividends paid   | (2,699)                             | (2,454)                             |
| Dividends paid to non-controlling interests  | (748)                               | (606)                               |
| Payments from changes in ownership interests in subsidiaries<br>that do not result in change in scope of consolidation | (114)                               | —                                   |
| Repayments of finance lease obligations  | (106)                               | (313)                               |
| Net cash provided by (used in) financing activities  | (707)                               | (4,064)                             |
| Effect of exchange rate change on cash and cash equivalents  | (270)                               | (1,000)                             |
| Net increase (decrease) in cash and cash equivalents   | (689)                               | 89                                  |
| Cash and cash equivalents at beginning of period   | 20,422                              | 19,733                              |
| Increase in cash and cash equivalents resulting from inclusion of<br>subsidiaries in consolidation                     | —                                   | 265                                 |
| Cash and cash equivalents at end of period   | 19,733                              | 20,089                              |