

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

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 23, 2022
 Scheduled date to file Securities Report: June 23, 2022
 Scheduled date to commence dividend payments: June 24, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

((Amounts less than one million yen are rounded down))

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	140,842	7.9	7,560	30.3	10,811	28.0	5,713	42.5
Year ended March 31, 2021	130,513	(8.2)	5,802	0.5	8,447	24.9	4,010	37.9

	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, 2022	116.34	–	6.4	6.0	5.4
Year ended March 31, 2021	81.70	–	5.0	4.9	4.4

(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, 2022	180,955	103,094	52.1	1,920.35
As of March 31, 2021	176,508	92,441	47.8	1,719.40

(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, 2022	12,238	(6,845)	(11,554)	27,001
Year ended March 31, 2021	17,849	(5,203)	(2,661)	31,545

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, 2021	–	25.00	–	25.00	50.00	2,454	61.2	3.1
Year ended March 31, 2022	–	25.00	–	25.00	50.00	2,456	43.0	2.7
Year ending March 31, 2023 (Forecast)	–	25.00	–	25.00	50.00		41.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	74,300	8.3	2,300	(41.4)	3,200	(37.0)	1,700	(51.2)	34.61
Full year	152,000	7.9	7,800	3.2	9,700	(10.3)	5,900	3.3	120.11

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

Changes in accounting policies due to other reasons: No

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, 2022	49,757,821 shares	As of March 31, 2021	49,757,821 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	634,564 shares	As of March 31, 2021	673,995 shares
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Average number of shares during the period

Year ended March 31, 2022	49,113,574 shares	Year ended March 31, 2021	49,084,233 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	32,662	28,806
Notes receivable - trade	2,050	1,958
Accounts receivable - trade	26,203	28,248
Electronically recorded monetary claims - operating	3,288	5,248
Merchandise and finished goods	7,402	10,169
Work in process	6,280	6,910
Raw materials and supplies	9,279	10,477
Accounts receivable - other	2,649	3,048
Other	3,638	3,552
Allowance for doubtful accounts	(344)	(96)
Total current assets	93,110	98,323
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,002	46,130
Accumulated depreciation	(21,631)	(23,597)
Buildings and structures, net	23,370	22,532
Machinery, equipment and vehicles	79,813	84,192
Accumulated depreciation	(56,536)	(62,219)
Machinery, equipment and vehicles, net	23,277	21,972
Tools, furniture and fixtures	15,342	16,437
Accumulated depreciation	(11,719)	(12,840)
Tools, furniture and fixtures, net	3,622	3,597
Land	6,141	6,345
Leased assets	2,029	3,065
Accumulated depreciation	(947)	(1,371)
Leased assets, net	1,082	1,694
Construction in progress	3,021	2,896
Total property, plant and equipment	60,515	59,039
Intangible assets		
Goodwill	1,702	1,266
Other	1,795	1,842
Total intangible assets	3,497	3,108
Investments and other assets		
Investment securities	12,077	12,785
Long-term loans receivable	602	534
Deferred tax assets	5,368	5,750
Other	1,449	1,521
Allowance for doubtful accounts	(112)	(108)
Total investments and other assets	19,384	20,483
Total non-current assets	83,397	82,631
Total assets	176,508	180,955

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	8,253	9,180
Electronically recorded obligations - operating	2,830	2,512
Short-term borrowings	2,389	2,353
Current portion of long-term borrowings	12,365	10,668
Accounts payable - other	2,465	2,715
Lease liabilities	355	526
Income taxes payable	1,431	1,534
Contract liabilities	957	959
Deposits received from employees	4,054	4,208
Provision for bonuses	2,547	2,679
Provision for loss on orders received	514	758
Other provisions	8	12
Other	4,565	4,576
Total current liabilities	42,737	42,686
Non-current liabilities		
Long-term borrowings	23,447	17,732
Lease liabilities	663	855
Retirement benefit liability	16,052	15,412
Provision for environmental measures	300	300
Negative goodwill	77	61
Other	788	811
Total non-current liabilities	41,329	35,174
Total liabilities	84,067	77,860
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,310	11,296
Retained earnings	68,224	71,483
Treasury shares	(226)	(213)
Total shareholders' equity	89,799	93,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	402	458
Foreign currency translation adjustment	(2,690)	2,950
Remeasurements of defined benefit plans	(3,116)	(2,133)
Total accumulated other comprehensive income	(5,404)	1,275
Non-controlling interests	8,046	8,761
Total net assets	92,441	103,094
Total liabilities and net assets	176,508	180,955

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	130,513	140,842
Cost of sales	101,773	108,688
Gross profit	28,740	32,154
Selling, general and administrative expenses	22,938	24,593
Operating profit	5,802	7,560
Non-operating income		
Interest income	226	215
Dividend income	24	28
Share of profit of entities accounted for using equity method	1,547	1,475
Foreign exchange gains	685	1,105
Rental income	100	90
Other	918	825
Total non-operating income	3,503	3,741
Non-operating expenses		
Interest expenses	407	385
Loss on mothballing of operation	258	–
Other	192	105
Total non-operating expenses	858	490
Ordinary profit	8,447	10,811
Extraordinary income		
Gain on sale of non-current assets	10	12
Gain on sale of investment securities	–	11
Total extraordinary income	10	23
Extraordinary losses		
Loss on sale of non-current assets	5	18
Loss on retirement of non-current assets	276	86
Impairment losses	701	1,379
Total extraordinary losses	983	1,485
Profit before income taxes	7,475	9,349
Income taxes - current	2,476	2,956
Income taxes - deferred	(335)	(736)
Total income taxes	2,140	2,220
Profit	5,334	7,129
Profit attributable to non-controlling interests	1,324	1,415
Profit attributable to owners of parent	4,010	5,713

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,334	7,129
Other comprehensive income		
Valuation difference on available-for-sale securities	110	56
Foreign currency translation adjustment	4,779	5,020
Remeasurements of defined benefit plans, net of tax	2,682	969
Share of other comprehensive income of entities accounted for using equity method	829	1,079
Total other comprehensive income	8,401	7,125
Comprehensive income	13,736	14,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,090	12,394
Comprehensive income attributable to non-controlling interests	1,645	1,860

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(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	66,745	(225)	88,320
Cumulative effects of changes in accounting policies			(76)		(76)
Restated balance	10,490	11,310	66,668	(225)	88,244
Changes during period					
Dividends of surplus			(2,454)		(2,454)
Profit attributable to owners of parent			4,010		4,010
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,556	(0)	1,555
Balance at end of period	10,490	11,310	68,224	(226)	89,799

	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	292	(8,095)	(5,682)	(13,485)	7,184	82,019
Cumulative effects of changes in accounting policies						(76)
Restated balance	292	(8,095)	(5,682)	(13,485)	7,184	81,943
Changes during period						
Dividends of surplus						(2,454)
Profit attributable to owners of parent						4,010
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	110	5,404	2,565	8,080	862	8,942
Total changes during period	110	5,404	2,565	8,080	862	10,498
Balance at end of period	402	(2,690)	(3,116)	(5,404)	8,046	92,441

Fiscal year ended March 31, 2022

(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	68,224	(226)	89,799
Changes during period					
Dividends of surplus			(2,455)		(2,455)
Change by merger		(13)		13	–
Profit attributable to owners of parent			5,713		5,713
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(13)	3,258	12	3,258
Balance at end of period	10,490	11,296	71,483	(213)	93,057

	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	402	(2,690)	(3,116)	(5,404)	8,046	92,441
Changes during period						
Dividends of surplus						(2,455)
Change by merger						–
Profit attributable to owners of parent						5,713
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	56	5,641	982	6,680	714	7,395
Total changes during period	56	5,641	982	6,680	714	10,653
Balance at end of period	458	2,950	(2,133)	1,275	8,761	103,094

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,475	9,349
Depreciation	10,024	9,698
Impairment losses	701	1,379
Share of loss (profit) of entities accounted for using equity method	(1,547)	(1,475)
Amortization of goodwill	450	423
Increase (decrease) in allowance for doubtful accounts	223	(254)
Increase (decrease) in provision for bonuses	(84)	99
Increase (decrease) in retirement benefit liability	(5)	(86)
Interest and dividend income	(251)	(243)
Interest expenses	407	385
Loss (gain) on sale and retirement of property, plant and equipment	271	93
Loss (gain) on sale of investment securities	–	(11)
Decrease (increase) in trade receivables	(197)	(2,213)
Decrease (increase) in inventories	217	(3,584)
Decrease (increase) in other assets	652	55
Increase (decrease) in trade payables	135	(384)
Increase (decrease) in provision for loss on orders received	(506)	244
Increase (decrease) in other liabilities	767	(58)
Other, net	195	(89)
Subtotal	18,928	13,326
Interest and dividends received	1,632	2,229
Interest paid	(408)	(390)
Income taxes paid	(2,302)	(2,927)
Net cash provided by (used in) operating activities	17,849	12,238
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,561)	(5,639)
Proceeds from sale of property, plant and equipment	82	204
Purchase of intangible assets	(469)	(828)
Purchase of investment securities	(763)	(7)
Proceeds from sale of investment securities	1,183	20
Payments into time deposits	(39)	(592)
Proceeds from withdrawal of time deposits	343	1
Other, net	20	(3)
Net cash provided by (used in) investing activities	(5,203)	(6,845)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	27,079	5,871
Repayments of short-term borrowings	(27,308)	(5,996)
Proceeds from long-term borrowings	13,800	5,000
Repayments of long-term borrowings	(12,643)	(12,404)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,454)	(2,455)
Dividends paid to non-controlling interests	(783)	(1,145)
Repayments of finance lease liabilities	(351)	(422)
Net cash provided by (used in) financing activities	(2,661)	(11,554)
Effect of exchange rate change on cash and cash equivalents	1,472	1,617
Net increase (decrease) in cash and cash equivalents	11,456	(4,543)
Cash and cash equivalents at beginning of period	20,089	31,545
Cash and cash equivalents at end of period	31,545	27,001