

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

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
 Operating Officer, General Manager
 Inquiries: Corporate Finance & Accounting Office Yoshinobu Murata TEL 03-3438-2291
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	157,380	11.7	9,264	22.5	12,277	13.6	6,796	19.0
Year ended March 31, 2022	140,842	7.9	7,560	30.3	10,811	28.0	5,713	42.5

	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, 2023	139.82	–	6.8	6.6	5.9
Year ended March 31, 2022	116.34	–	6.4	6.0	5.4

(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, 2023	193,232	112,930	54.0	2,169.53
As of March 31, 2022	180,955	103,094	52.1	1,920.35

(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, 2023	12,323	(8,054)	(3,168)	29,271
Year ended March 31, 2022	12,238	(6,845)	(11,554)	27,001

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, 2022	–	25.00	–	25.00	50.00	2,456	43.0	2.7
Year ended March 31, 2023	–	25.00	–	45.00	70.00	3,467	50.1	3.4
Year ending March 31, 2024 (Forecast)	–	35.00	–	35.00	70.00		44.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	82,200	7.8	3,300	(12.3)	4,600	(26.7)	2,800	(20.9)	59.02
Full year	168,000	6.7	9,500	2.5	12,400	1.0	7,300	7.4	156.15

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	49,757,821 shares	As of March 31, 2022	49,757,821 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,627,625 shares	As of March 31, 2022	634,564 shares
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Average number of shares during the period

Year ended March 31, 2023	48,611,504 shares	Year ended March 31, 2022	49,113,574 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	28,806	30,581
Notes receivable - trade	1,958	1,565
Accounts receivable - trade	28,248	30,977
Electronically recorded monetary claims - operating	5,248	5,073
Merchandise and finished goods	10,169	11,606
Work in process	6,910	8,298
Raw materials and supplies	10,477	12,961
Accounts receivable - other	3,048	3,745
Other	3,552	3,008
Allowance for doubtful accounts	(96)	(105)
Total current assets	98,323	107,712
Non-current assets		
Property, plant and equipment		
Buildings and structures	46,130	50,717
Accumulated depreciation	(23,597)	(25,702)
Buildings and structures, net	22,532	25,015
Machinery, equipment and vehicles	84,192	88,676
Accumulated depreciation	(62,219)	(67,354)
Machinery, equipment and vehicles, net	21,972	21,322
Tools, furniture and fixtures	16,437	17,462
Accumulated depreciation	(12,840)	(13,918)
Tools, furniture and fixtures, net	3,597	3,543
Land	6,345	6,522
Leased assets	3,065	3,201
Accumulated depreciation	(1,371)	(1,598)
Leased assets, net	1,694	1,603
Construction in progress	2,896	2,871
Total property, plant and equipment	59,039	60,879
Intangible assets		
Goodwill	1,266	829
Other	1,842	1,898
Total intangible assets	3,108	2,727
Investments and other assets		
Investment securities	12,785	14,733
Long-term loans receivable	534	475
Deferred tax assets	5,750	5,294
Other	1,521	1,518
Allowance for doubtful accounts	(108)	(109)
Total investments and other assets	20,483	21,913
Total non-current assets	82,631	85,519
Total assets	180,955	193,232

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	9,180	9,655
Electronically recorded obligations - operating	2,512	2,590
Short-term borrowings	2,353	2,148
Current portion of long-term borrowings	10,668	11,475
Accounts payable - other	2,715	3,063
Lease liabilities	526	484
Income taxes payable	1,534	1,855
Contract liabilities	959	595
Deposits received from employees	4,208	4,230
Provision for bonuses	2,679	2,818
Provision for loss on orders received	758	646
Other provisions	12	9
Other	4,576	4,884
Total current liabilities	42,686	44,457
Non-current liabilities		
Long-term borrowings	17,732	20,508
Lease liabilities	855	850
Retirement benefit liability	15,412	13,120
Provision for environmental measures	300	300
Negative goodwill	61	45
Other	811	1,019
Total non-current liabilities	35,174	35,844
Total liabilities	77,860	80,302
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,296	11,819
Retained earnings	71,483	75,824
Treasury shares	(213)	(1,884)
Total shareholders' equity	93,057	96,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	458	518
Foreign currency translation adjustment	2,950	7,310
Remeasurements of defined benefit plans	(2,133)	340
Total accumulated other comprehensive income	1,275	8,170
Non-controlling interests	8,761	8,510
Total net assets	103,094	112,930
Total liabilities and net assets	180,955	193,232

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	140,842	157,380
Cost of sales	108,688	119,893
Gross profit	32,154	37,487
Selling, general and administrative expenses	24,593	28,222
Operating profit	7,560	9,264
Non-operating income		
Interest income	215	364
Dividend income	28	33
Share of profit of entities accounted for using equity method	1,475	1,881
Foreign exchange gains	1,105	1,062
Rental income	90	120
Other	825	829
Total non-operating income	3,741	4,293
Non-operating expenses		
Interest expenses	385	415
Expenses for product compensation	–	796
Other	105	68
Total non-operating expenses	490	1,280
Ordinary profit	10,811	12,277
Extraordinary income		
Gain on sale of non-current assets	12	42
Gain on sale of investment securities	11	173
Total extraordinary income	23	216
Extraordinary losses		
Loss on sale of non-current assets	18	10
Loss on retirement of non-current assets	86	101
Impairment losses	1,379	163
Total extraordinary losses	1,485	275
Profit before income taxes	9,349	12,218
Income taxes - current	2,956	3,710
Income taxes - deferred	(736)	(142)
Total income taxes	2,220	3,567
Profit	7,129	8,650
Profit attributable to non-controlling interests	1,415	1,853
Profit attributable to owners of parent	5,713	6,796

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	7,129	8,650
Other comprehensive income		
Valuation difference on available-for-sale securities	56	87
Foreign currency translation adjustment	5,020	3,497
Remeasurements of defined benefit plans, net of tax	969	2,030
Share of other comprehensive income of entities accounted for using equity method	1,079	1,471
Total other comprehensive income	7,125	7,087
Comprehensive income	14,255	15,738
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,394	13,690
Comprehensive income attributable to non-controlling interests	1,860	2,047

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,490	11,296	71,483	(213)	93,057
Changes during period					
Dividends of surplus			(2,456)		(2,456)
Profit attributable to owners of parent			6,796		6,796
Purchase of treasury shares				(1,887)	(1,887)
Disposal of treasury shares		522		216	739
Net changes in items other than shareholders' equity					
Total changes during period	–	522	4,340	(1,671)	3,192
Balance at end of period	10,490	11,819	75,824	(1,884)	96,249

	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	458	2,950	(2,133)	1,275	8,761	103,094
Changes during period						
Dividends of surplus						(2,456)
Profit attributable to owners of parent						6,796
Purchase of treasury shares						(1,887)
Disposal of treasury shares						739
Net changes in items other than shareholders' equity	60	4,359	2,474	6,894	(250)	6,643
Total changes during period	60	4,359	2,474	6,894	(250)	9,835
Balance at end of period	518	7,310	340	8,170	8,510	112,930

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	9,349	12,218
Depreciation	9,698	9,927
Impairment losses	1,379	163
Share of loss (profit) of entities accounted for using equity method	(1,475)	(1,881)
Amortization of goodwill	423	424
Increase (decrease) in allowance for doubtful accounts	(254)	4
Increase (decrease) in provision for bonuses	99	125
Increase (decrease) in retirement benefit liability	(86)	(174)
Interest and dividend income	(243)	(398)
Interest expenses	385	415
Loss (gain) on sale and retirement of property, plant and equipment	93	68
Loss (gain) on sale of investment securities	(11)	(173)
Decrease (increase) in trade receivables	(2,213)	(1,285)
Decrease (increase) in inventories	(3,584)	(4,715)
Decrease (increase) in other assets	55	220
Increase (decrease) in trade payables	(384)	(48)
Increase (decrease) in provision for loss on orders received	244	(112)
Increase (decrease) in other liabilities	(58)	(632)
Other, net	(89)	100
Subtotal	13,326	14,247
Interest and dividends received	2,229	1,890
Interest paid	(390)	(382)
Income taxes paid	(2,927)	(3,433)
Net cash provided by (used in) operating activities	12,238	12,323
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,639)	(8,439)
Proceeds from sale of property, plant and equipment	204	217
Purchase of intangible assets	(828)	(738)
Purchase of investment securities	(7)	(8)
Proceeds from sale of investment securities	20	272
Payments into time deposits	(592)	(21)
Proceeds from withdrawal of time deposits	1	613
Other, net	(3)	51
Net cash provided by (used in) investing activities	(6,845)	(8,054)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	5,871	8,424
Repayments of short-term borrowings	(5,996)	(8,623)
Proceeds from long-term borrowings	5,000	14,950
Repayments of long-term borrowings	(12,404)	(11,370)
Proceeds from sale of treasury shares	–	739
Purchase of treasury shares	(0)	(1,887)
Dividends paid	(2,455)	(2,456)
Dividends paid to non-controlling interests	(1,145)	(2,298)
Repayments of finance lease liabilities	(422)	(647)
Net cash provided by (used in) financing activities	(11,554)	(3,168)
Effect of exchange rate change on cash and cash equivalents	1,617	1,169
Net increase (decrease) in cash and cash equivalents	(4,543)	2,269
Cash and cash equivalents at beginning of period	31,545	27,001
Cash and cash equivalents at end of period	27,001	29,271