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February 5, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Eagle Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Securities code: 6486
 URL: <https://www.ekkeagle.com/jp/>
 Representative: Tetsuji Tsuru, Representative Director, President
 Inquiries: Yoshinobu Murata, Senior Operating Officer, General Manager, Corporate Finance & Accounting Office
 TEL: 03-3438-2291
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	125,366	0.2	6,844	15.0	9,619	(6.9)	4,799	(20.6)
December 31, 2023	125,092	7.0	5,951	(20.8)	10,336	3.7	6,048	(0.4)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥6,259 million [(52.5)%]
 For the nine months ended December 31, 2023: ¥13,185 million [21.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	105.66	—
December 31, 2023	128.83	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	209,963	124,320	55.0	2,553.45
March 31, 2024	209,914	125,671	55.6	2,570.06

Reference: Equity
 As of December 31, 2024: ¥115,377 million
 As of March 31, 2024: ¥116,762 million

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
Fiscal year ended March 31, 2024	—	35.00	—	45.00	80.00
Fiscal year ending March 31, 2025	—	50.00	—		
Fiscal year ending March 31, 2025 (Forecast)				50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	167,000	(0.0)	8,400	3.6	11,900	(13.8)	6,100	(18.6)	134.45

Note: Revisions to the forecast of financial results most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024:
No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements:
Yes

Note: For details, please refer to “(3) Notes to the quarterly consolidated financial statements (Notes to special accounting methods for preparing quarterly consolidated financial statements)” in “2. Quarterly consolidated financial statements and significant notes thereto” on page 7 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statements: No

Note: For details, please refer to “(3) Notes to the quarterly consolidated financial statements (Notes to changes in accounting policies)” in “2. Quarterly consolidated financial statements and significant notes thereto” on page 7 of the attached materials.

(4) Number of issued shares (common shares)

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

As of December 31, 2024	49,757,821 shares
As of March 31, 2024	49,757,821 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	4,572,824 shares
As of March 31, 2024	4,326,163 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	45,428,770 shares
Nine months ended December 31, 2023	46,951,096 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. These statements do not purport that the Company pledges to realize such statements. In addition, actual results may differ due to various factors. For matters relating to the forecast, please refer to “(3) Explanation of consolidated financial results forecast and other forward-looking statements” in “1. Overview of operating results, etc.” on page 2 of the attached materials.

1. Overview of operating results, etc.

(1) Overview of operating results for nine months ended December 31, 2024

During the nine months ended December 31, 2024, low but firm growth prevailed in the global economy mainly driven by the expansion of domestic demand due to rising real wages in the U.S. economy, shift to monetary easing policies, and financial support measures and interest-rate cuts in Europe, despite the sluggish personal consumption and burden of a slump in the real estate market in China.

In such a business environment, the Group's General Machinery Industry and Marine Industry business domains grew.

As a result, net sales were 125,366 million yen (up 0.2% year on year), operating profit was 6,844 million yen (up 15.0% year on year), and foreign exchange gains which were recorded in the same period in the previous fiscal year turned into foreign exchange losses, resulting in ordinary profit of 9,619 million yen (down 6.9% year on year) and profit attributable to owners of parent of 4,799 million yen (down 20.6% year on year) for the nine months ended December 31, 2024.

The following show the results in each segment.

[Automotive and Construction Machinery Industries]

Net sales in this segment were 65,787 million yen (down 2.7% year on year) as a result of a decline in sales of existing products, which is mainly due to the impact of the electrification of automotive accessories. Operating profit was 703 million yen (down 43.1% year on year).

[General Machinery Industry]

Net sales in this segment were 30,532 million yen (up 7.2% year on year) as a result of increase in sales of new plant projects and continuous favorable conditions in demand for maintenance in India and the Asia-Pacific region. Operating profit was 4,404 million yen (up 124.5% year on year).

[Semiconductor Industry]

Net sales in this segment were 9,243 million yen (down 21.4% year on year) as a result of sluggish demand due to inventory adjustment in the markets for the Company's products, despite an upward trend in capital investment centered on fields related to generative AI. Operating loss was 2,705 million yen (operating loss of 51 million yen for the same period in the previous fiscal year).

[Marine Industry]

Net sales in this segment were 13,277 million yen (up 20.1% year on year) as a result of continuous favorable conditions in demand for repair. Operating profit was 3,857 million yen (up 71.5% year on year).

[Aerospace Industry]

Net sales in this segment were 6,526 million yen (up 5.5% year on year) as a result of increased sales of products to the aerospace industry. Operating profit was 579 million yen (up 7.2% year on year).

(2) Overview of financial position for nine months ended December 31, 2024

Assets

Assets as of December 31, 2024 were 209,963 million yen, up 49 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to an increase of buildings and structures by 4,394 million yen, despite a decrease of cash and deposits by 4,307 million yen.

Liabilities

Liabilities as of December 31, 2024 were 85,642 million yen, up 1,400 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to an increase of short-term borrowings by 5,867 million yen, despite a decrease of long-term borrowings by 4,611 million yen.

Net assets

Net assets as of December 31, 2024 were 124,320 million yen, down 1,351 million yen from the end of the fiscal year ended March 31, 2024. This was mainly due to decreases of 4,441 million yen from dividends of surplus and 1,019 million yen from purchase of treasury shares, as well as a decrease of 1,035 million yen due to remeasurements of defined benefit plans as a result of transferring part of the defined benefit corporate pension plans to a defined contribution pension plan, despite the recording of profit attributable to owners of parent of 4,799 million yen.

(3) Explanation of consolidated financial results forecast and other forward-looking statements

Based on the recent business environment and financial results for the nine months ended December 31, 2024, revisions have been made to the consolidated financial results forecasts announced in the “Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)” on November 7, 2024 as follows.

Concerning net sales and operating profit, compared with the previous forecast, we are expecting increased profit from the Marine Industry, despite projecting a profit decline for the Automotive and Construction Machinery Industries, and overall there is no change.

Ordinary profit and profit attributable to owners of parent are expected to decrease respectively due to a slowdown in share of profit of entities accounted for using equity method relative to the previous forecast, despite a positive impact from the weak yen during the third quarter of the fiscal year under review.

Revisions to the forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	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
Previous forecast (A)	167,000	8,400	12,300	7,000	154.20
Revised forecast (B)	167,000	8,400	11,900	6,100	134.45
Change (B-A)	—	—	(400)	(900)	—
Change (%)	—	—	(3.3)	(12.9)	—
(Reference) Results for the fiscal year ended March 31, 2024	167,042	8,107	13,799	7,491	160.84

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	32,536	28,228
Notes and accounts receivable - trade, and contract assets	34,576	33,570
Electronically recorded monetary claims - operating	6,429	5,906
Merchandise and finished goods	12,245	13,359
Work in process	9,003	9,851
Raw materials and supplies	14,522	15,937
Other	6,746	6,295
Allowance for doubtful accounts	(102)	(93)
Total current assets	115,956	113,055
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,268	29,663
Machinery, equipment and vehicles, net	21,297	19,453
Other, net	18,817	16,491
Total property, plant and equipment	65,383	65,608
Intangible assets		
Goodwill	426	268
Other	1,899	1,934
Total intangible assets	2,325	2,202
Investments and other assets		
Investment securities	18,257	19,456
Other	8,146	9,796
Allowance for doubtful accounts	(156)	(156)
Total investments and other assets	26,248	29,096
Total non-current assets	93,957	96,908
Total assets	209,914	209,963

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	9,134	8,531
Electronically recorded obligations - operating	2,742	2,878
Short-term borrowings	14,403	20,270
Income taxes payable	2,316	2,282
Provision for bonuses	2,931	2,296
Other provisions	802	604
Other	14,637	15,842
Total current liabilities	46,968	52,706
Non-current liabilities		
Long-term borrowings	24,735	20,123
Provisions	616	629
Retirement benefit liability	10,146	10,553
Other	1,775	1,629
Total non-current liabilities	37,273	32,936
Total liabilities	84,242	85,642
Net assets		
Shareholders' equity		
Share capital	10,490	10,490
Capital surplus	11,819	11,819
Retained earnings	79,415	79,768
Treasury shares	(6,769)	(7,489)
Total shareholders' equity	94,956	94,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	877	723
Foreign currency translation adjustment	16,359	16,530
Remeasurements of defined benefit plans	4,568	3,533
Total accumulated other comprehensive income	21,805	20,787
Non-controlling interests	8,909	8,942
Total net assets	125,671	124,320
Total liabilities and net assets	209,914	209,963

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	125,092	125,366
Cost of sales	96,995	95,374
Gross profit	28,097	29,992
Selling, general and administrative expenses	22,145	23,147
Operating profit	5,951	6,844
Non-operating income		
Interest income	443	457
Dividend income	27	40
Share of profit of entities accounted for using equity method	2,582	2,095
Foreign exchange gains	1,190	–
Other	534	800
Total non-operating income	4,778	3,393
Non-operating expenses		
Interest expenses	339	350
Foreign exchange losses	–	177
Other	54	91
Total non-operating expenses	393	619
Ordinary profit	10,336	9,619
Extraordinary income		
Gain on sale of non-current assets	9	21
Gain on sale of investment securities	–	359
Gain on revision of retirement benefit plan	–	1,057
Total extraordinary income	9	1,438
Extraordinary losses		
Loss on sale of non-current assets	5	0
Loss on retirement of non-current assets	42	73
Impairment losses	–	299
Amortization of past service cost	–	515
Total extraordinary losses	48	888
Profit before income taxes	10,298	10,169
Income taxes	3,112	3,033
Profit	7,185	7,136
Profit attributable to non-controlling interests	1,136	2,336
Profit attributable to owners of parent	6,048	4,799

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	7,185	7,136
Other comprehensive income		
Valuation difference on available-for-sale securities	225	(159)
Foreign currency translation adjustment	4,328	34
Remeasurements of defined benefit plans, net of tax	128	(946)
Share of other comprehensive income of entities accounted for using equity method	1,317	194
Total other comprehensive income	5,999	(877)
Comprehensive income	13,185	6,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,716	3,781
Comprehensive income attributable to non-controlling interests	1,468	2,477

(3) Notes to the quarterly consolidated financial statements

(Notes to going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes to special accounting methods for preparing quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the third quarter of the fiscal year under review, and multiplying profit before income taxes by the estimated effective tax rate.

However, if the calculation of tax expenses using an estimated effective tax rate produces significantly unreasonable results, the effective statutory tax rate is used.

(Notes to changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022, hereinafter, the "2022 revised accounting standard") from the beginning of the first quarter of the fiscal year under review.

The revisions regarding the classification of corporate taxes (tax on other comprehensive income) follow the transitional treatment stipulated in the proviso to section 20-3 of the 2022 revised accounting standard and the transitional treatment stipulated in the proviso to section 65-2 paragraph (2) "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter the "2022 revised implementation guidance"). The change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, the Company has applied the 2022 revised implementation guidance with regard to the amendments related to the revision of the treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities between consolidated companies from the beginning of the first quarter of the fiscal year under review. Changes in accounting policy have been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous fiscal year have been prepared on a retrospective basis. The change in accounting policy has no impact on either the quarterly consolidated financial statements of the previous quarter or the consolidated financial statements of the previous fiscal year.

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

	(Millions of yen)	
	For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	7,857	7,943
Amortization of goodwill	290	150

(Notes to segment information, etc.)

I For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information on the amounts of net sales and profit/loss for each reporting segment

(Millions of yen)

	Auto- motive and Construc- tion Machinery Industries	General Machinery Industry	Semi- conductor Industry	Marine Industry	Aerospace Industry	Total	Adjust- ments	Amount recorded on the quarterly consoli- dated statements of income
Net sales								
Net sales to external customers	67,616	28,469	11,766	11,052	6,188	125,092	—	125,092
Inter-segment sales or transfers	124	100	—	1	—	225	(225)	—
Total	67,741	28,569	11,766	11,053	6,188	125,318	(225)	125,092
Segment profit (loss)	1,237	1,962	(51)	2,248	540	5,937	13	5,951

Notes: 1. The segment profit/loss adjustment of 13 million yen is elimination of inter-segment transactions.
2. Segment profit/loss is adjusted based on operating profit on the quarterly consolidated statements of income.

II For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information on the amounts of net sales and profit/loss for each reporting segment

(Millions of yen)

	Auto- motive and Construc- tion Machinery Industries	General Machinery Industry	Semi- conductor Industry	Marine Industry	Aerospace Industry	Total	Adjust- ments	Amount recorded on the quarterly consoli- dated statements of income
Net sales								
Net sales to external customers	65,787	30,532	9,243	13,277	6,526	125,366	—	125,366
Inter-segment sales or transfers	119	129	—	9	—	258	(258)	—
Total	65,907	30,661	9,243	13,287	6,526	125,624	(258)	125,366
Segment profit (loss)	703	4,404	(2,705)	3,857	579	6,839	5	6,844

Notes: 1. The segment profit/loss adjustment of 5 million yen is elimination of inter-segment transactions.
2. Segment profit/loss is adjusted based on operating profit on the quarterly consolidated statements of income.