

Eagle Industry Co., Ltd. Financial Results Briefing for Fiscal Year Ended March 31, 2017

May 11, 2017



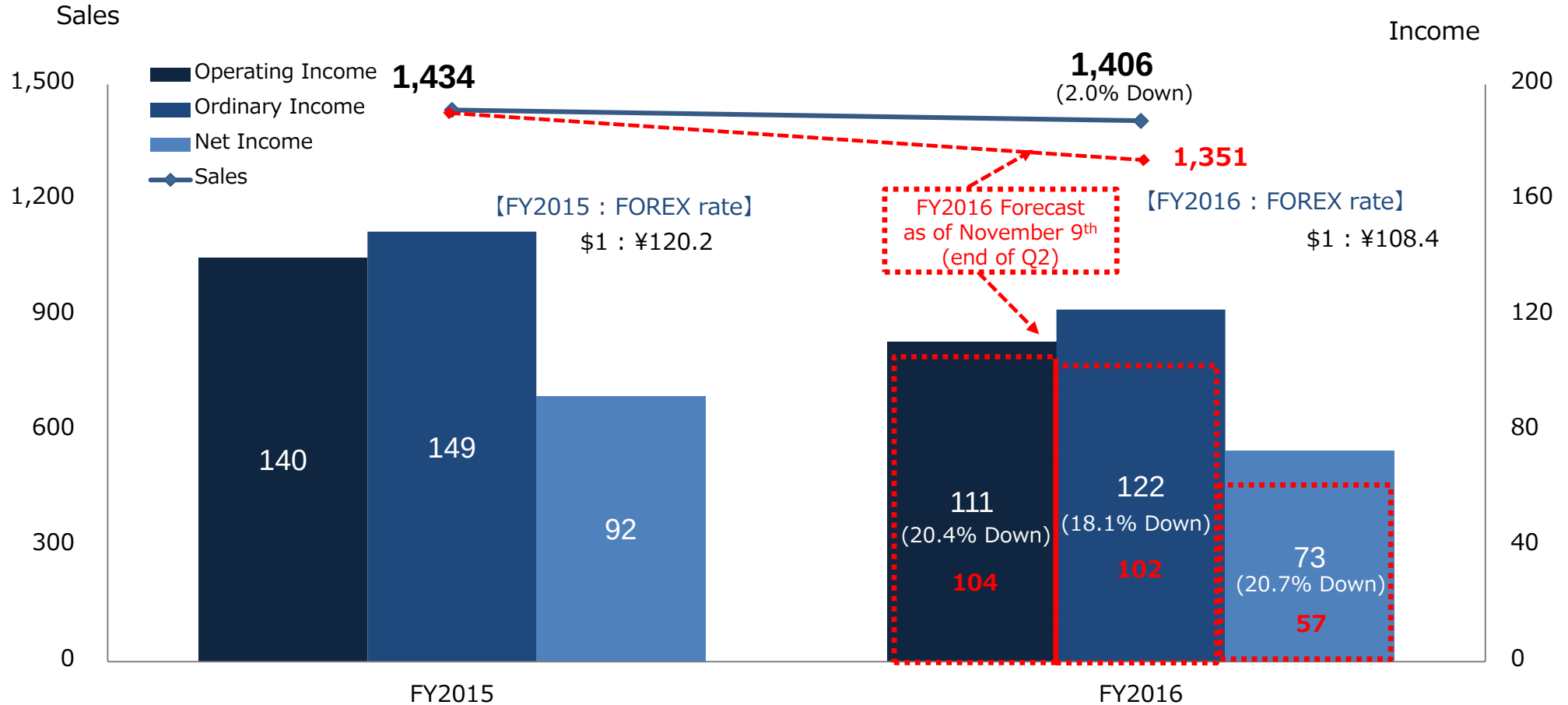
1. Financial Results

- (1) Results Overview for FY2016 and Figures of Last 3-Year Plan
- (2) Forecast for FY2017 and Overview for Next 3-Year Plan

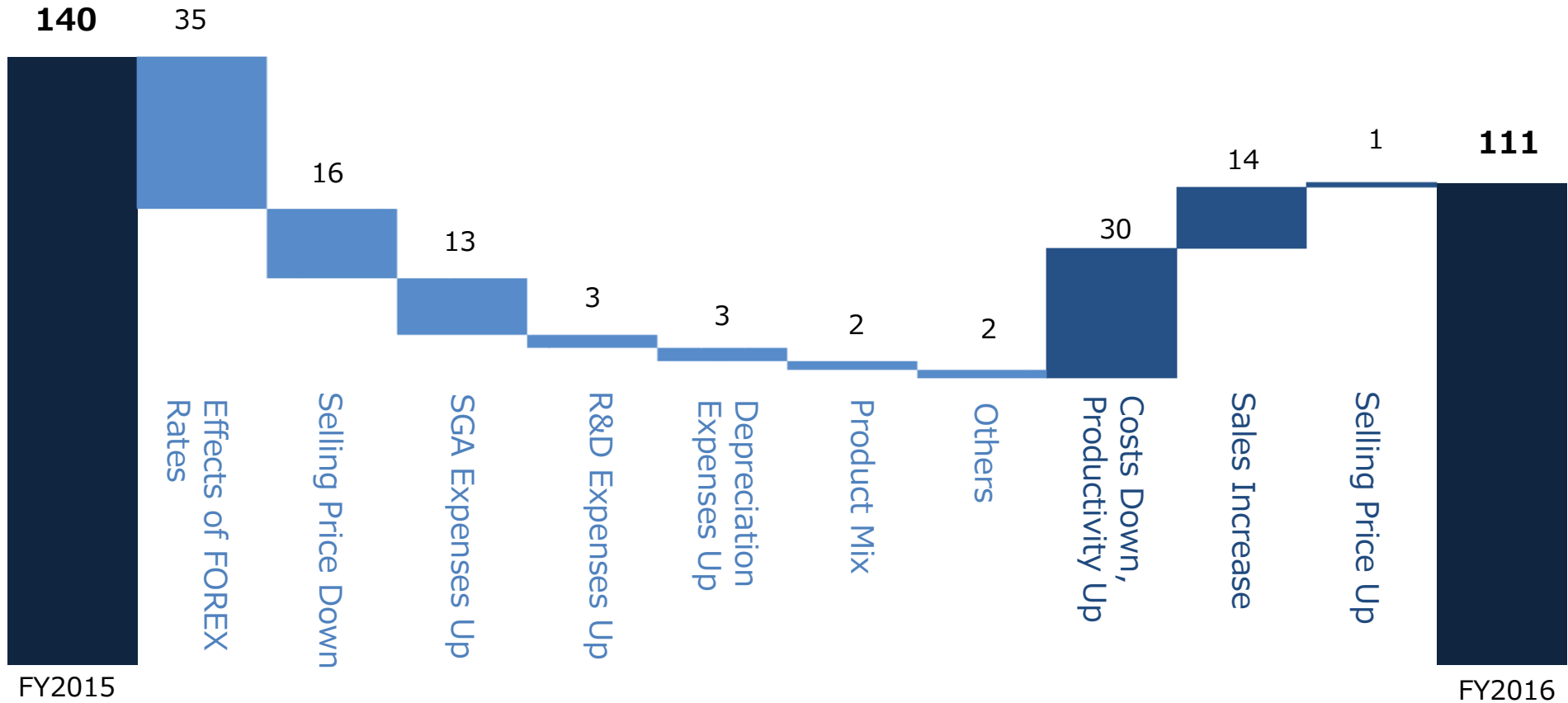
2. Business Unit Report

- (1) Automobile and Construction Machinery
- (2) General Industry
- (3) Marine
- (4) Aerospace

Unit : ¥ 100M



Unit : ¥ 100M



Unit : ¥100M

		FY2015 Results	FY2016 Results	Increase/ Decrease	vs. FY2015	Effects of FOREX Rates	Adjusted* vs. FY2015
Automobile & Construction Machinery	Sales	877	904	28	103%	▲56	110%
	Operating Income	78	74	▲4	95%	▲27	130%
General Industry	Sales	327	317	▲9	97%	▲17	103%
	Operating Income	33	33	0	100%	▲3	110%
Marine	Sales	139	106	▲33	76%	▲7	82%
	Operating Income	27	3	▲23	13%	▲5	30%
Aerospace, Optoelectronics	Sales	92	78	▲13	86%	▲0	86%
	Operating Income	2	1	▲1	38%	-	37%
Total	Sales	1,434	1,406	▲28	98%	▲81	104%
	Operating Income	140	111	▲29	80%	▲35	104%

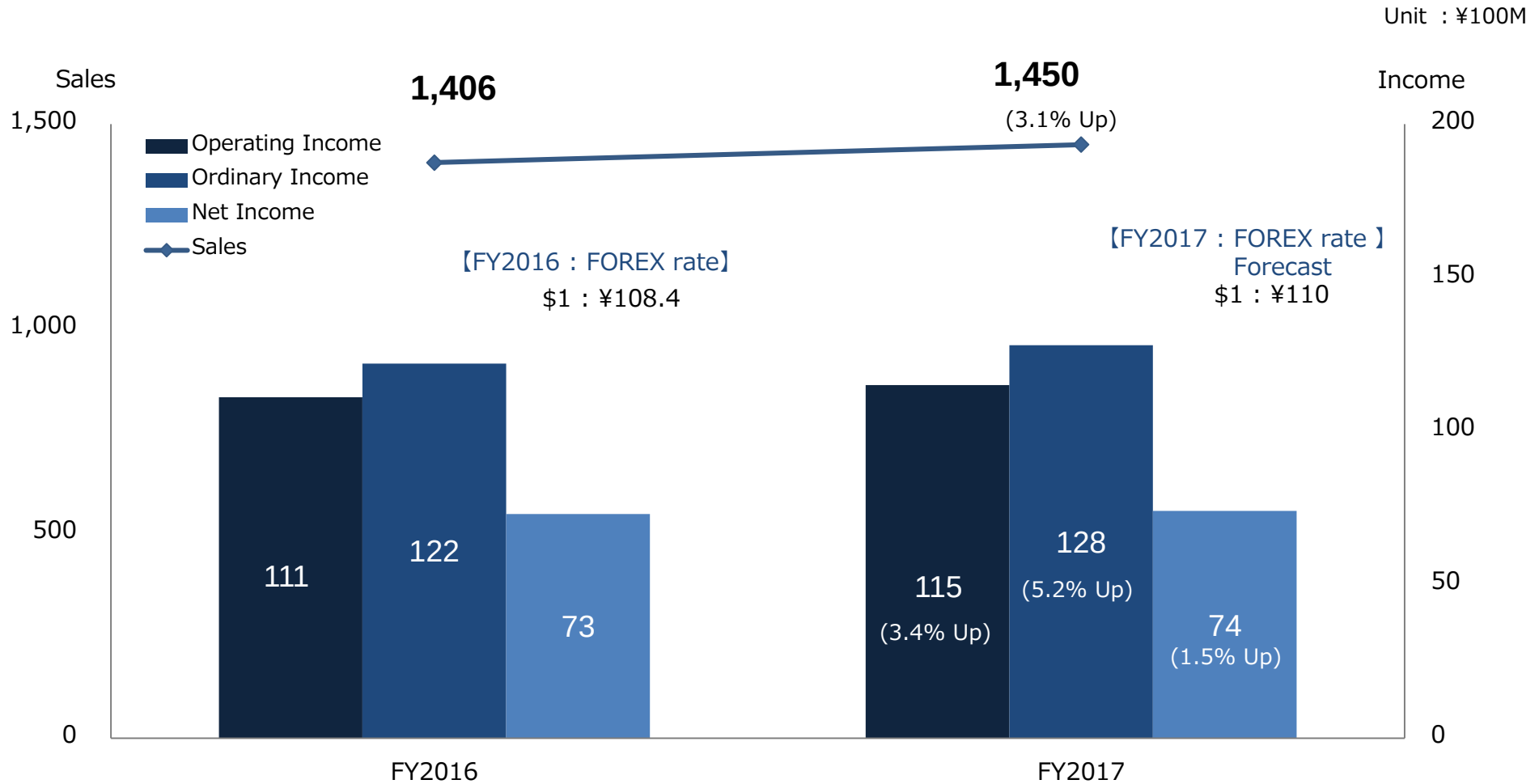
*Excluding
FOREX effects

1. Financial Results

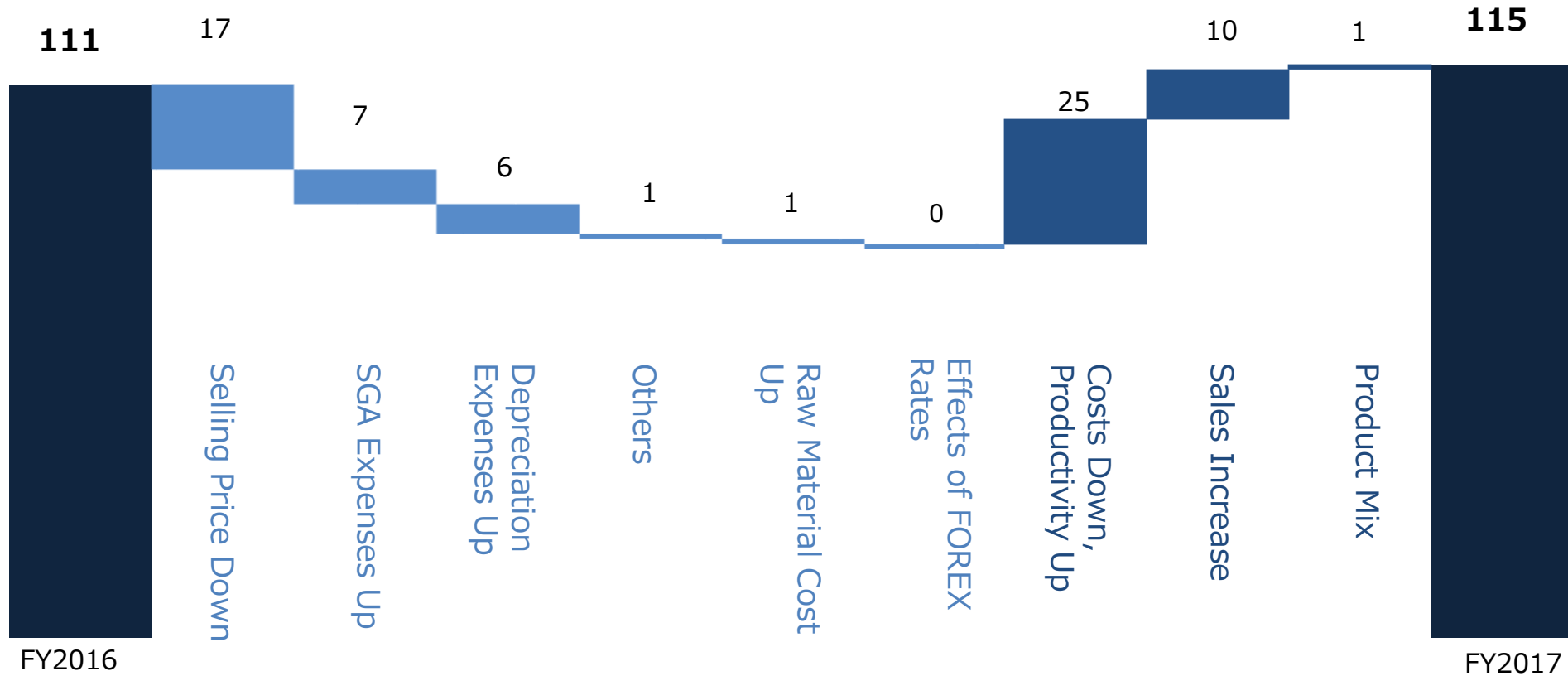
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Unit : ¥ 100M



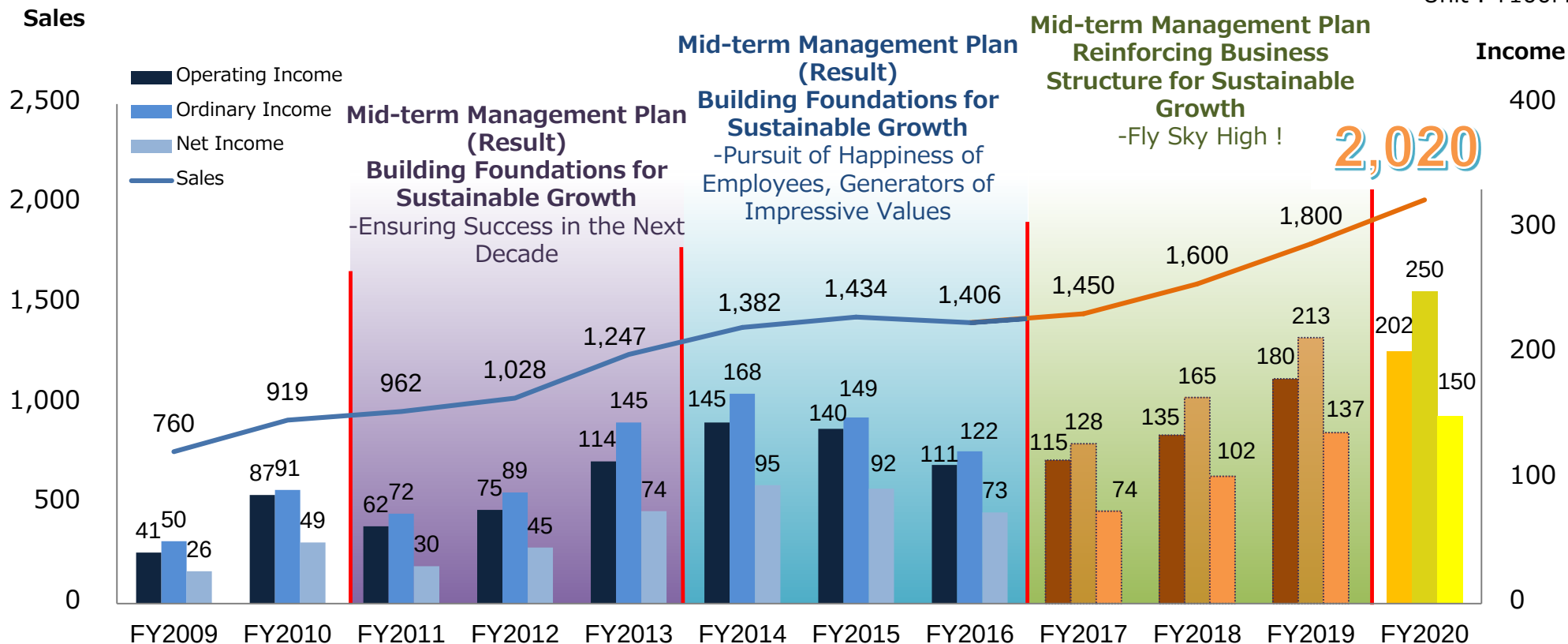
Unit: ¥100M

		FY2016 Results	FY 2017 Forecast	Increase/ Decrease	vs. FY2016
Automobile & Construction Machinery	Sales	904	946	42	105%
	Operating Income	74	75	0	100%
General Industry	Sales	317	343	26	108%
	Operating Income	33	33	0	101%
Marine	Sales	106	107	1	101%
	Operating Income	3	5	1	141%
Aerospace	Sales	78	54	▲24	69%
	Operating Income	1	3	2	352%
Total	Sales	1,406	1,450	44	103%
	Operating Income	111	115	4	103%

Fly Sky High !

- 1. Eternal Zero**
Secure “High quality trusted by customer” and “Equal quality regardless of production location”
- 2. Development of Next-Generation Products**
Develop products for “Next-generation Mobility and Energy” market by utilizing our unique technology
- 3. Thorough and Active Implementation of TCD, Waste Removal Activity**
Generate profit by “Total Cost Down” and “Waste Removal Activity”
- 4. BCM**
Build scheme for “Business Continuity Management”
- 5. Optimizing Management of EagleBurgmann 3-Region (Japan, AP, India)**
Promote management for total optimization of Japan/India/Asia-Pacific region of EagleBurgmann
- 6. Implementation and Full Utilization of ERP**
Complete implementation of SAP as a backbone-system of operational information transmission and collection for global management
- 7. Management that Respects Human Dignity / Health and Safety**
Realize rewarding work place and secure health and safety of employees

Unit : ¥100M

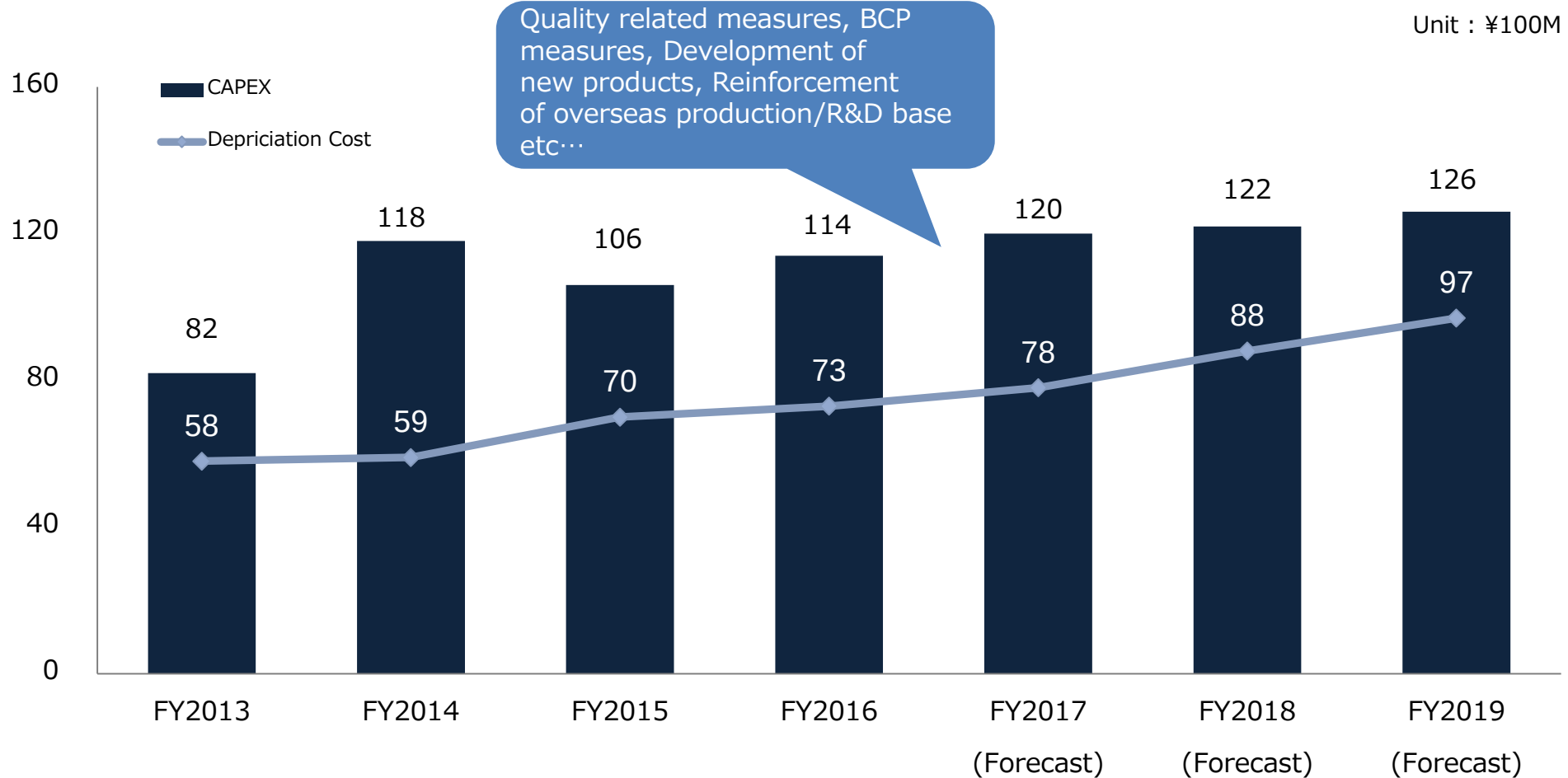


Set sales and income target ¥202B and ¥20.2B in FY2020

Unit : ¥100M

		FY2016 Result	FY2017	FY2018	FY2019	vs. FY2016
Automobile & Construction Machinery	Sales	904	946	1,051	1,160	128%
	Operating Income	74	75	82	100	135%
General Industry	Sales	317	343	377	420	132%
	Operating Income	33	33	41	56	168%
Marine	Sales	106	107	113	140	132%
	Operating Income	3	5	8	18	539%
Aerospace	Sales	78	54	59	80	102%
	Operating Income	1	3	4	7	915%
Total	Sales	1,406	1,450	1,600	1,800	128%
	Operating Income	111	115	135	180	162%

	FY2013	FY2014	FY2015	FY2016	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast
Dividend (Yen)	25	40	45	45	45	TBD	TBD
Dividend Ratio (%)	16.2	20.3	23.7	30.1	29.7	—	—
ROE (%)	14.7	15.6	14.0	10.0	10.5	13.2	15.7
ROA (%)	5.6	6.4	5.9	4.6	4.4	5.7	7.2
Equity Ratio (%)	39.0	42.2	42.3	42.2	42.7	44.5	47.2
ROIC (%)	7.1	8.0	7.7	6.0	6.3	6.8	8.3

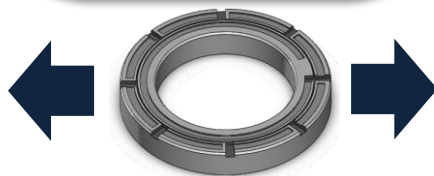


Producing low-cost original products -backed by technology- which are useful to society, and selling them at reasonable prices all over the world.

Next-Gen Mobility Market

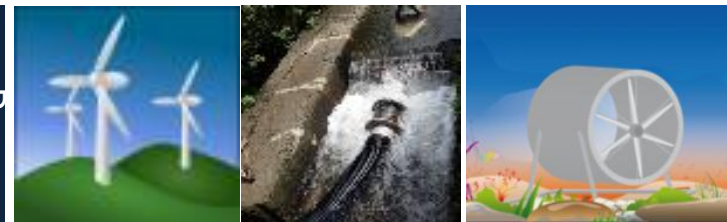


EKK Core Tech
Tribology
Cultivation of
Low Friction
Technology
Deployment to
Different Fields



- High-Precision Fluid Control Technology
- Surface Texturing Technology
- Bellows Technology

Next-Gen Energy Market



Renewable Energy Generation
(Micro Hydroelectric • Tidal Generation etc...)



Bellows Circulator for LN2 Circulation
Circulate LN2 in Superconducting Power Transmission Cable



Power Storage Device for Mega-Solar Generation



Pressure Increase Energy Recovery Unit

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☆ : Planned

	Water Pump Seal 	Car Air-Conditioner Seal 	AC Control Valve 	Solenoid Valve 	Valve & Actuator 	Floating Seal 
Japan	○	○	○	○		○
China	○	○	○	○	○	○
Korea	○	○				
Taiwan	○			○	○	
India	○					
Thailand	○	○		○	○	
Indonesia	○	☆			○	○
France			○			
Netherlands	○	○				
Hungary					○	
Mexico	☆	☆	○	○		



Europe

Netherland Kerkrade
Engineering Office

Japan

Saitama
R&D CenterOkayama
Engineering Office

China

Wuxi
Engineering Office

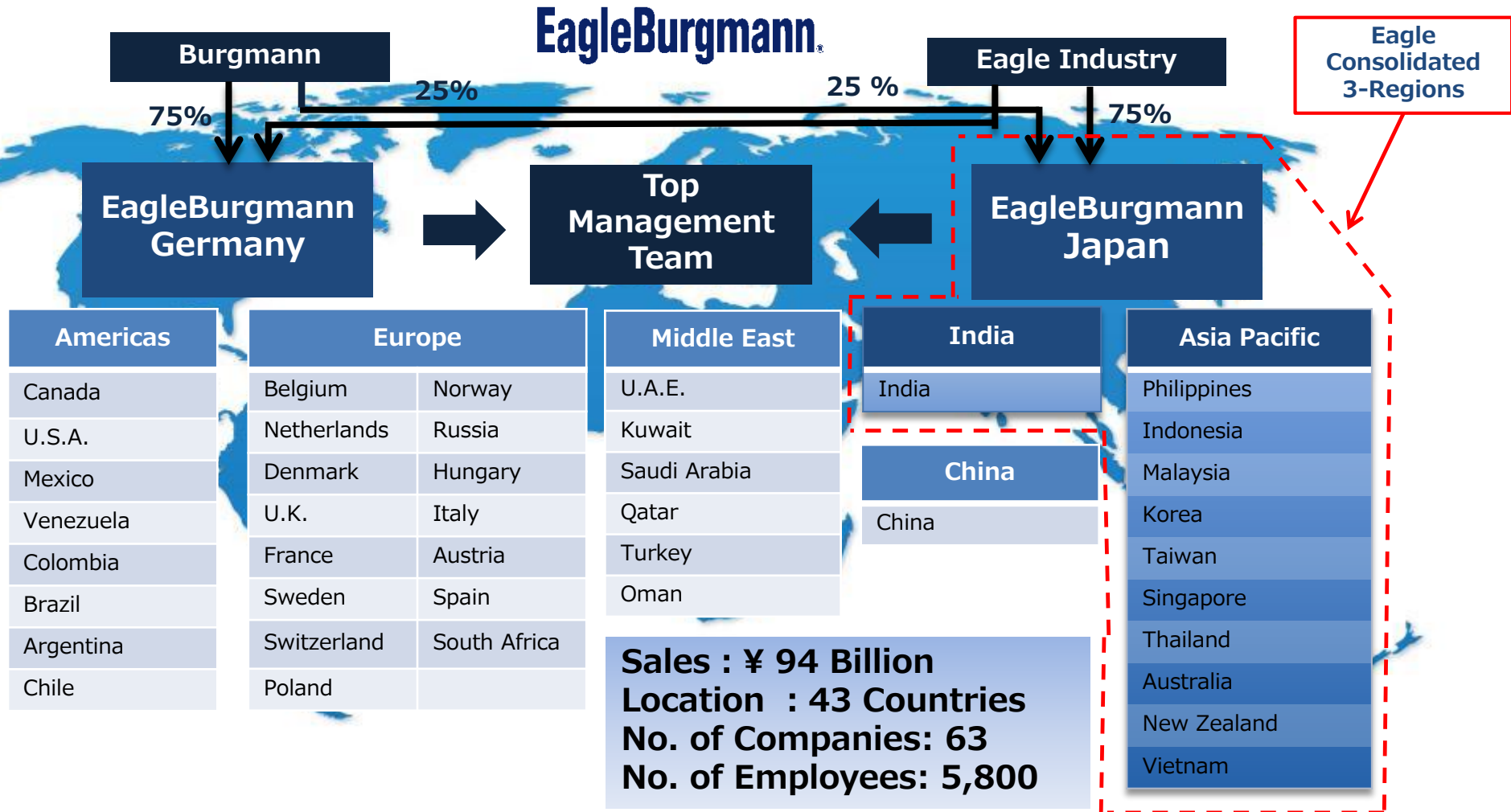
In addition to the existing base, we will reinforce R&D base in Europe and China during the next 3-year plan.

1. Financial Results

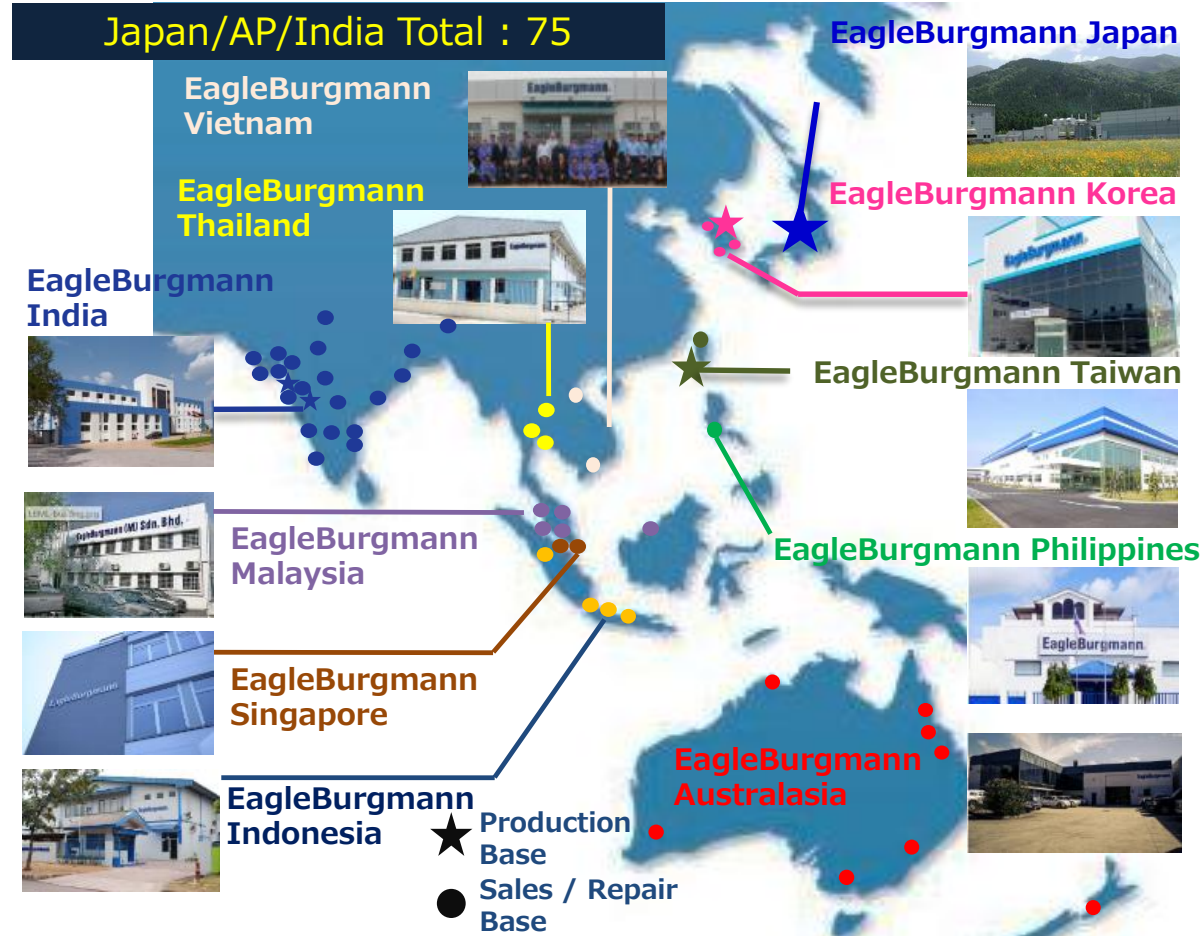
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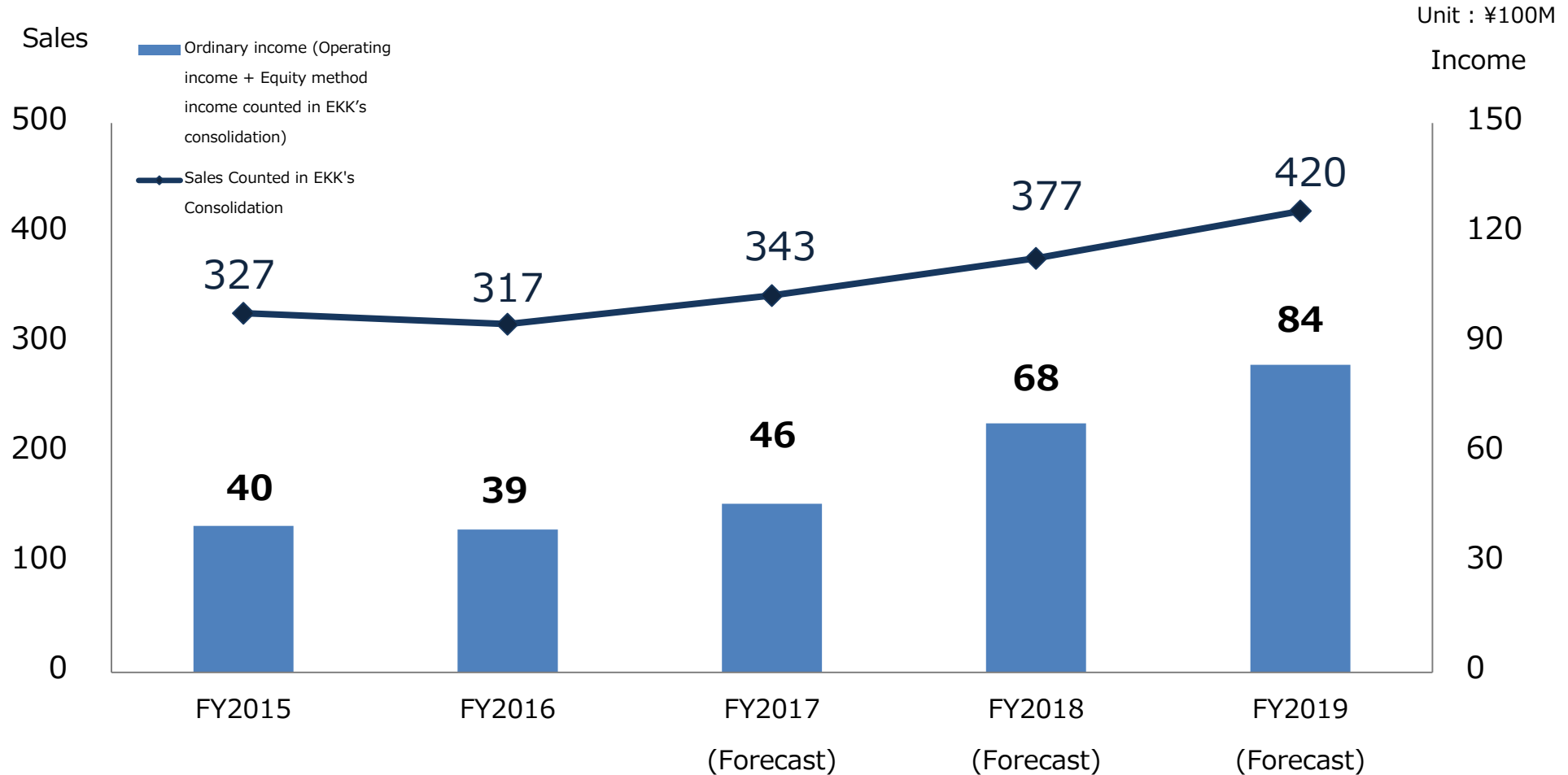


Country	Company	Function (Base)
Japan	EB Japan	Production : 3 Sales/Repair : 18
Korea	EB Korea	Production : 1 Sales/Repair : 3
Taiwan	EB Taiwan	Production : 1 Sales/Repair : 1
Singapore	EB Singapore	Sales/Repair : 2
India	EB India	Production : 2 Sales/Repair : 20
	EB Mascot India	Production : 1
Thailand	EB Thailand	Sales/Repair : 3
Indonesia	EB Indonesia	Sales/Repair : 4
Vietnam	EB Vietnam	Sales/Repair : 2
Malaysia	EB Malaysia	Sales/Repair : 5
Philippines	EB Philippines	Sales/Repair : 1
Australia	EB Australasia	Sales/Repair : 7
New Zealand		Sales/Repair : 1



Reinforce businesses in India/Asia/Asia-Pacific by utilizing bases of 3-Region

Contribution of EB Business to Consolidation



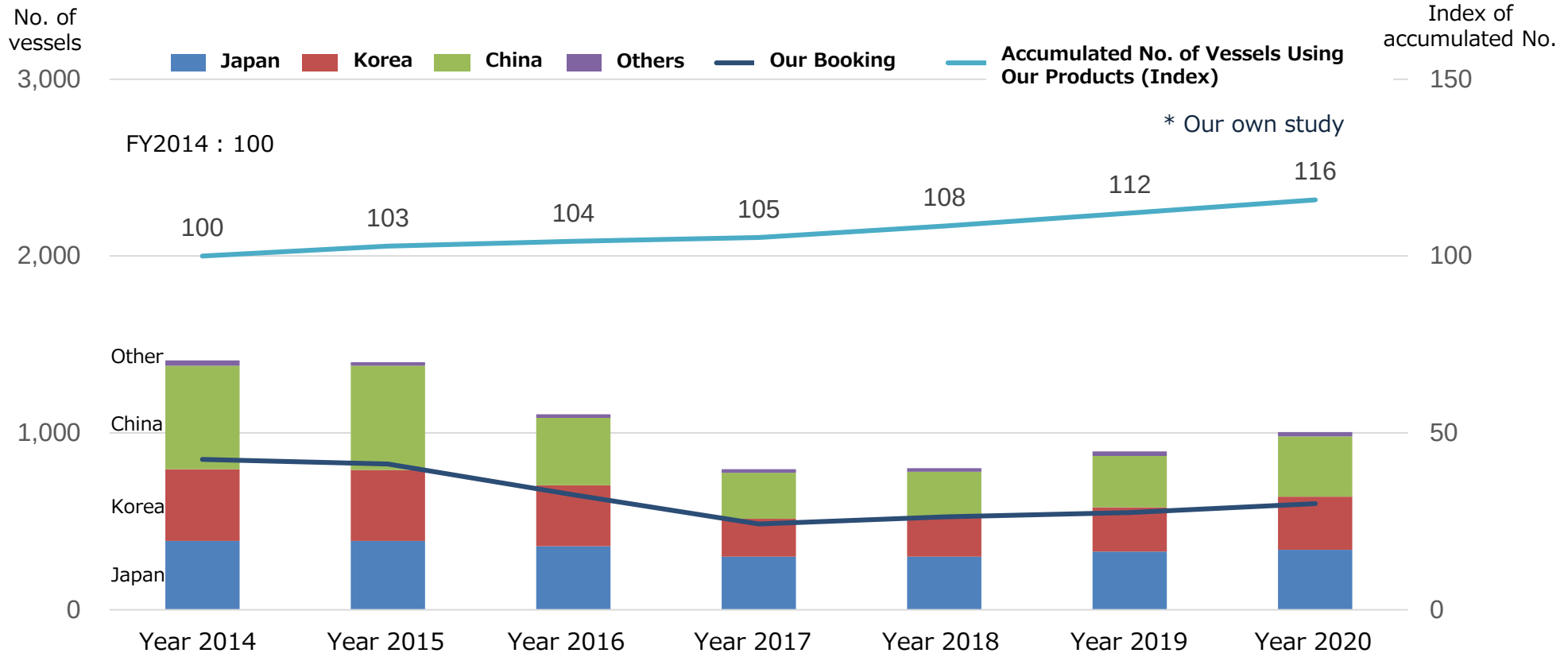
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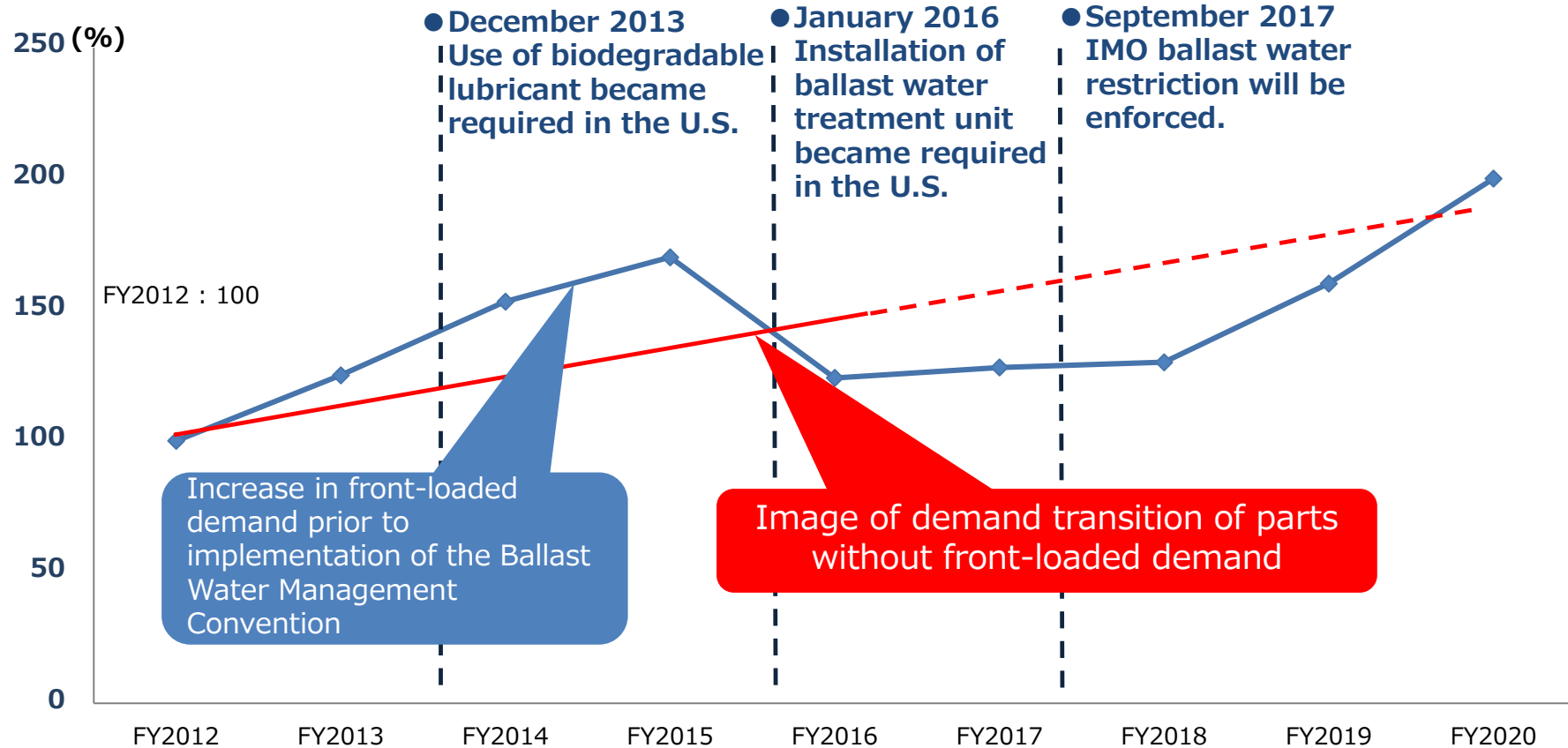
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Number of Middle and Large Vessel Building and Product User



New building will remain leveled off due to the recession in shipping and shipbuilding industry



- Until 2015: Front-loaded demand for our products prior to the effectuation of environmental regulations contributed to sales.
- 2016 ~ 2018: We will be in an adjustment period for a few years.

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March 17th :
H-IIA Rocket No.33
Launch Succeeded

Rocket launch image on the left is only
for illustration purposes

June 1st :
H-IIA Rocket No.34
Launch Scheduled

“Michibiki -2”
Quasi-Zenith Satellite



**Participating H-3
Rocket LE-9 Engine
Development
Program**

- Turbo Pump Unit
Test Succeeded
- Pilot Engine
Combustion Test
to Be Executed
- Sample Seals
Under Testing

Supplying Mechanical Seals, Other Seals,
and Valves



Atomic Clock, Tanks, Valves, Filter
Regulators, Pressure Sensors

Fly Sky High !

