

Eagle Industry Co., Ltd. Financial Results Briefing for Fiscal Year Ended March 31, 2018

May 10, 2018



1. Financial Results

(1) Results Overview for FY2017

(2) Forecast for FY2018

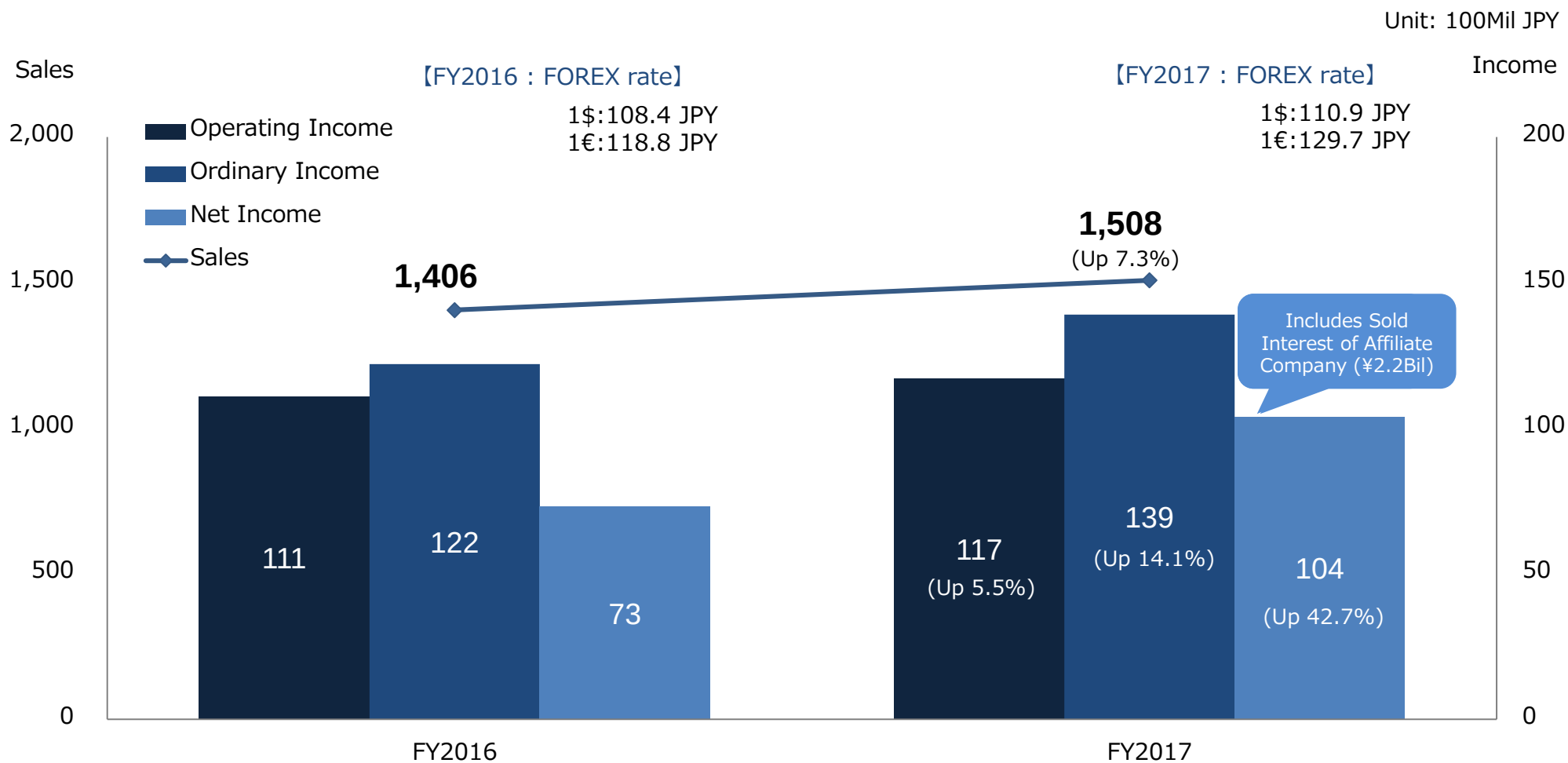
2. Business Unit Report

(1) Automobile and Construction Machinery

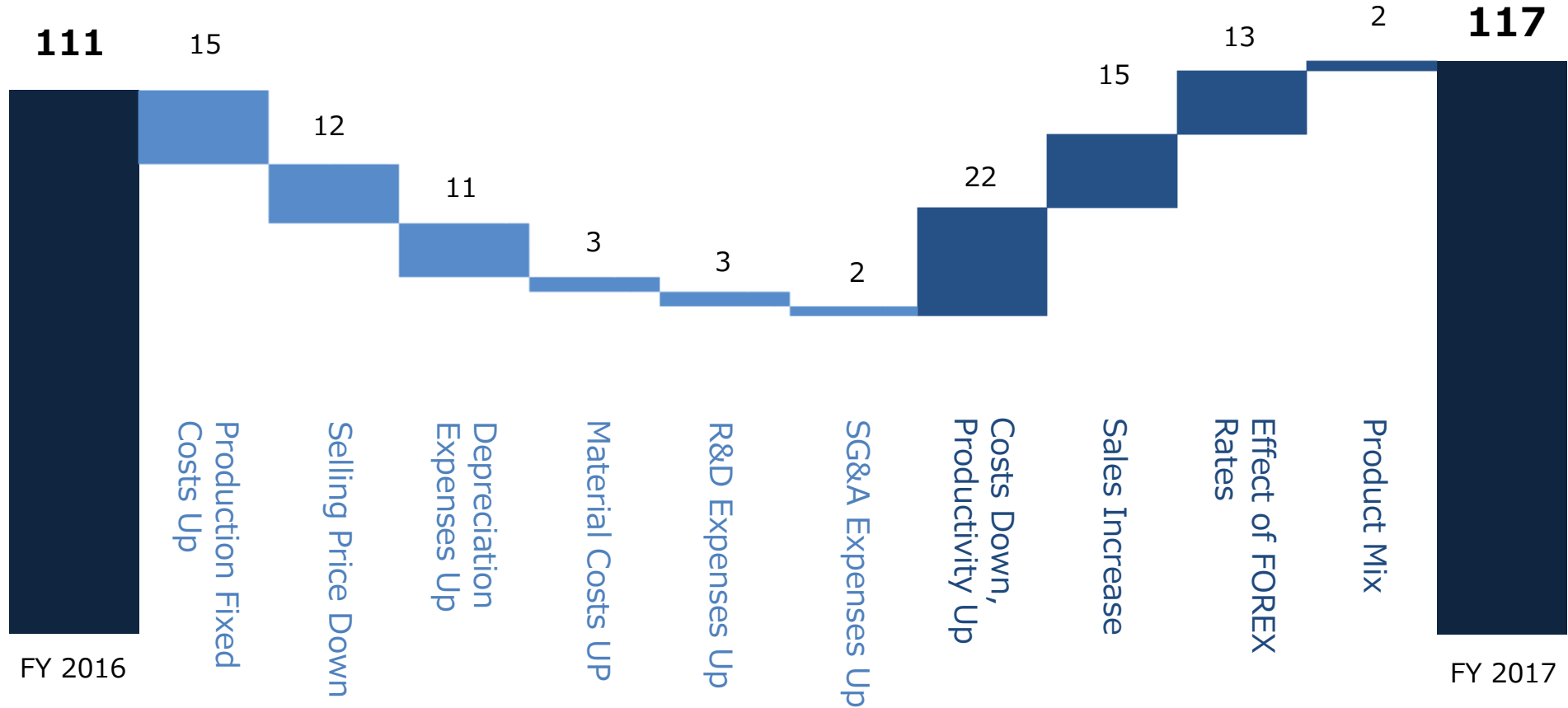
(2) General Industry

(3) Marine

(4) Aerospace



Unit : 100Mil JPY



Unit : 100Mil JPY

		FY2016 Results	FY2017 Results	Increase/ Decrease	vs. FY2016
Automobile & Construction Machinery	Sales	904	992	87	110%
	Operating Income	74	66	▲8	89%
General Industry	Sales	317	357	40	113%
	Operating Income	33	41	8	123%
Marine	Sales	106	105	▲1	99%
	Operating Income	3	10	7	308%
Aerospace	Sales	78	55	▲24	69%
	Operating Income	1	0	▲1	37%
Total	Sales	1,406	1,508	102	107%
	Operating Income	111	117	6	106%

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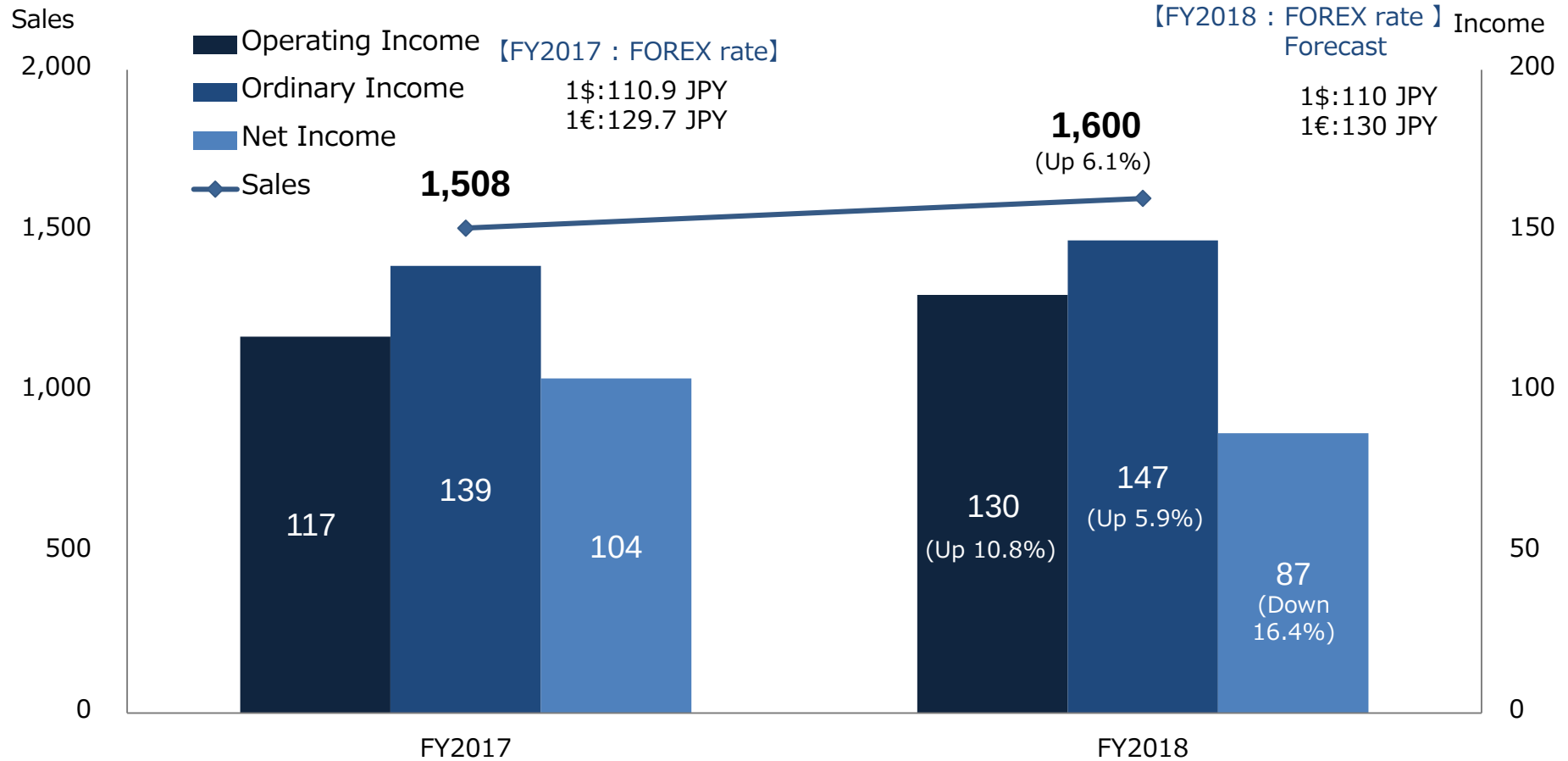
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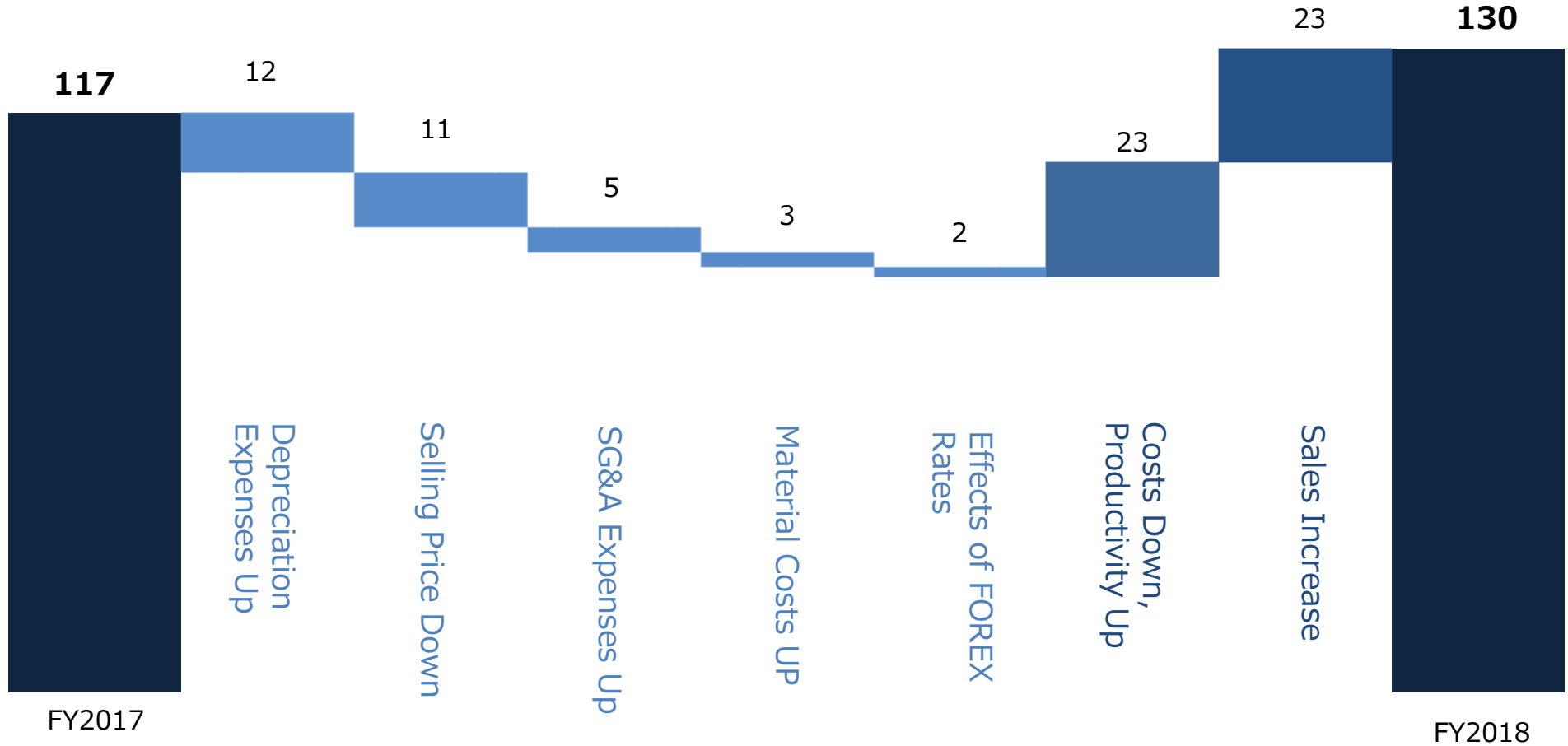
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Unit : 100Mil JPY

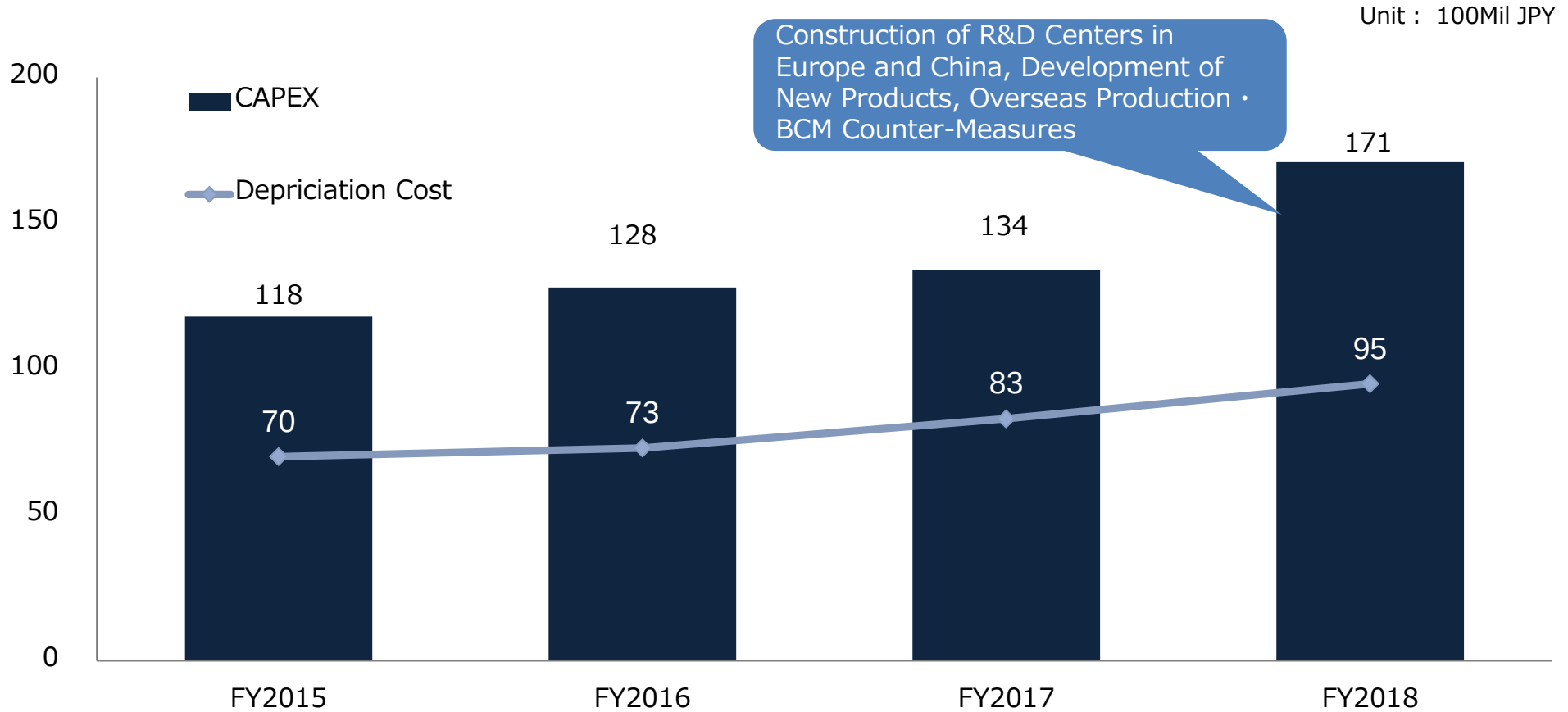


Unit: 100Mil JPY



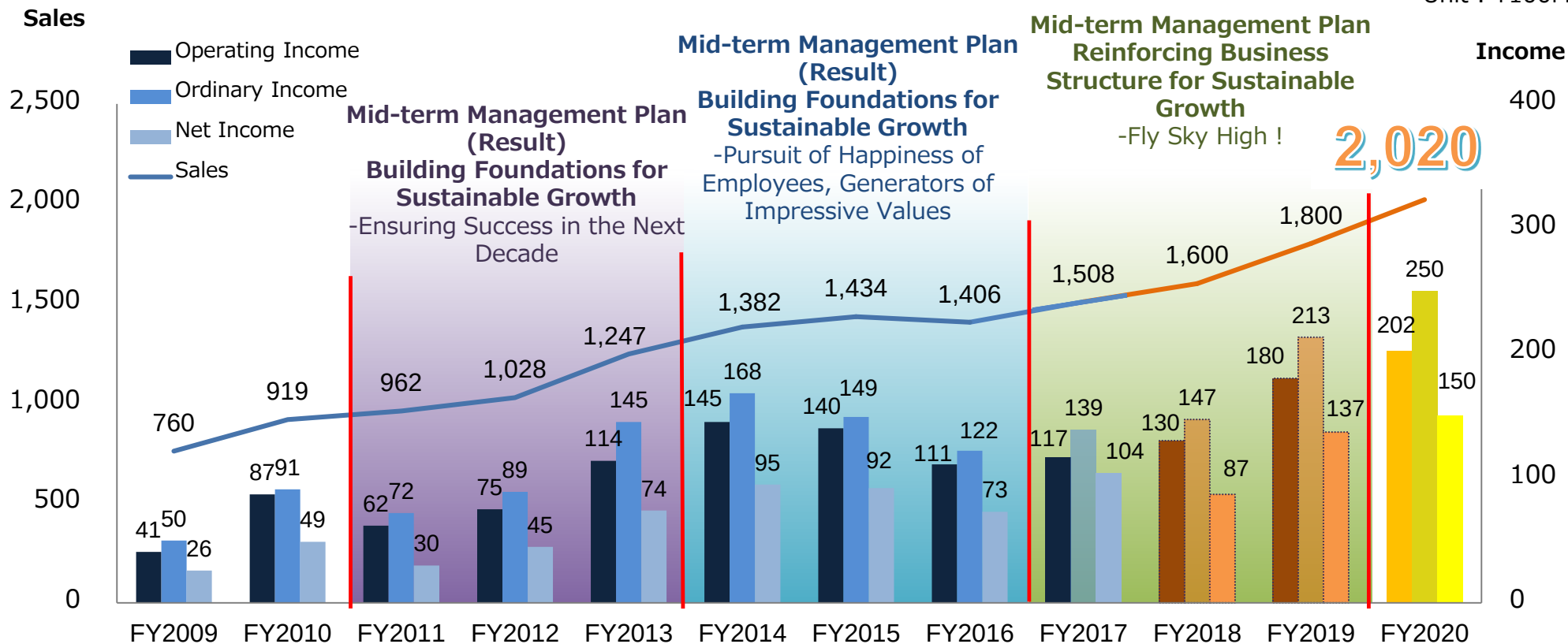
Unit : 100Mil JPY

		FY2017 Results	FY2018 Forecast	Increase/ Decrease	vs. FY2017
Automobile & Construction Machinery	Sales	992	1,044	52	105%
	Operating Income	66	73	7	110%
General Industry	Sales	357	379	22	106%
	Operating Income	41	41	0	101%
Marine	Sales	105	108	3	103%
	Operating Income	10	13	3	126%
Aerospace & Others	Sales	55	69	14	126%
	Operating Income	0	3	3	—
Total	Sales	1,508	1,600	92	106%
	Operating Income	117	130	13	111%



	FY2014	FY2015	FY2016	FY2017	FY2018 (Forecast)	Target
Dividend (Yen)	40	45	45	50	50	—
Dividend Ratio (%)	20.3	23.7	30.1	23.5	28.2	—
ROE (%)	15.6	14.0	10.0	14.2	10.5	10%
ROA (%)	6.4	5.9	4.6	6.4	5.0	5%
Equity Ratio (%)	42.2	42.3	42.2	47.2	48.6	50%
ROIC (%)	8.0	7.7	6.0	6.9	6.9	10%

Unit : ¥100M



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

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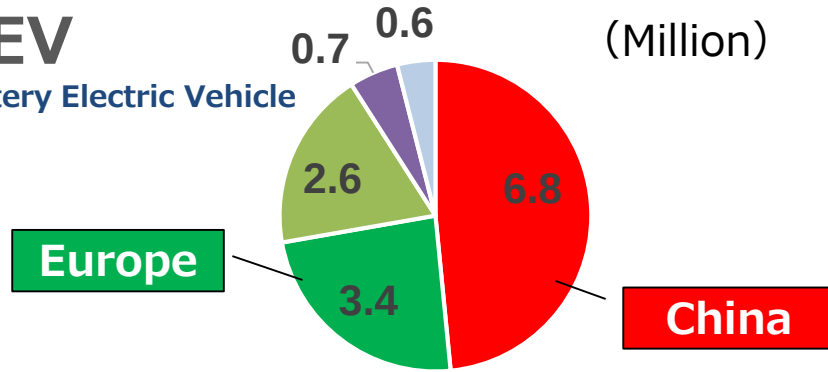
(4) Aerospace

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

Volume Estimation of Next Generation Mobility by Region in 2030

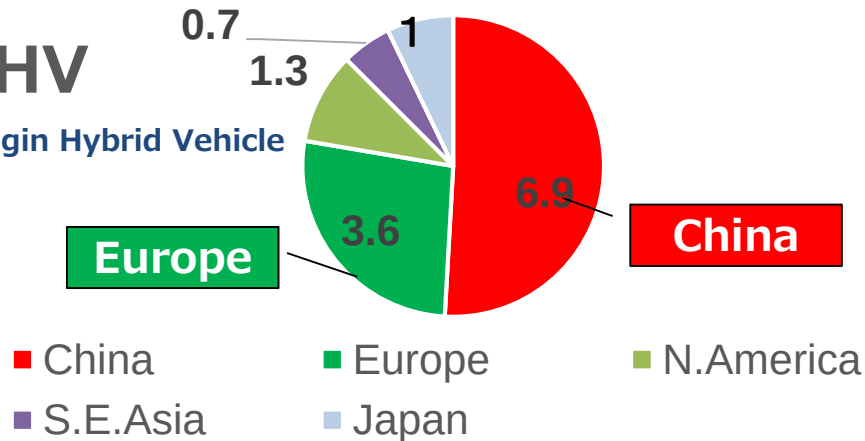
BEV

Battery Electric Vehicle



PHV

Plugin Hybrid Vehicle



Market Share 1st : China, 2nd : Europe



Strengthen responsiveness to Chinese and European market



Establish R&D Center in China and Europe

China

Eagle Sealing R&D (Wuxi)

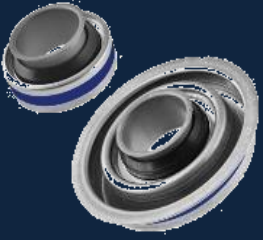
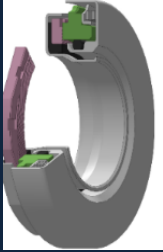
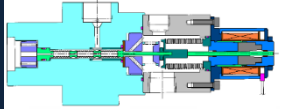
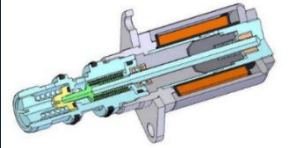


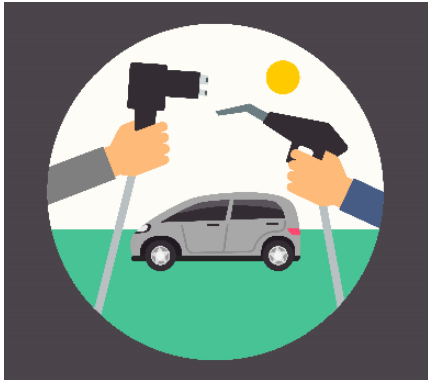
Germany

Eagle Actuator Components



To be Established in Early FY2019

					
Lip Seal for Electronic Water Pump	Mechanical Seal for Motor Cooling	Mechanical Seal for Reduction Gear	Mechanical Seal for Air Compressor	Integrated Hydrogen Pressure Reduction Valve	Hydrogen Control Valve



Plug-in Hybrid Vehicle



Battery Electric Vehicle



Fuel-Cell Vehicle

Newly developed products such as Mechanical Seal for Next Generation Mobility and Hydrogen Control Valve are under investigation.

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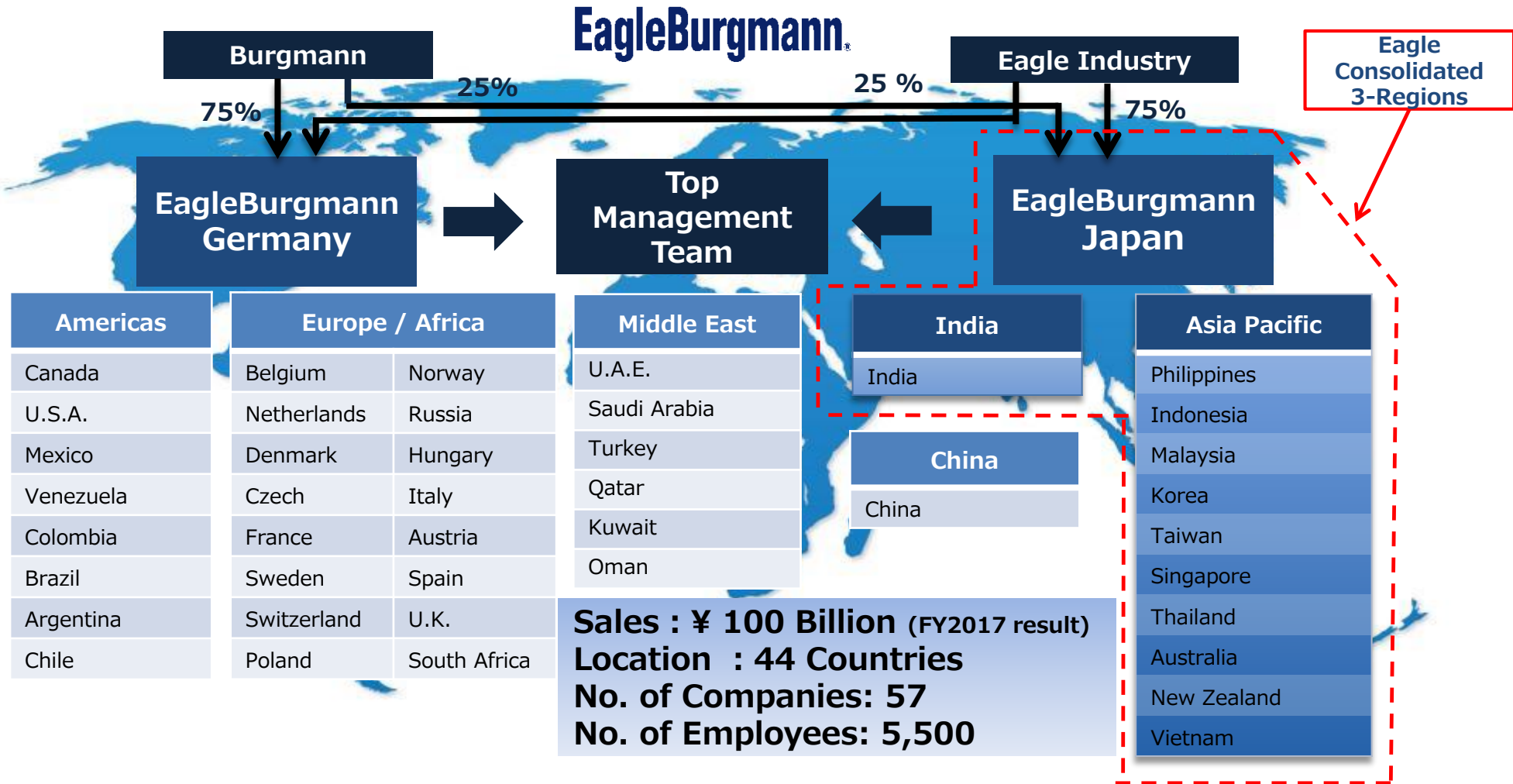
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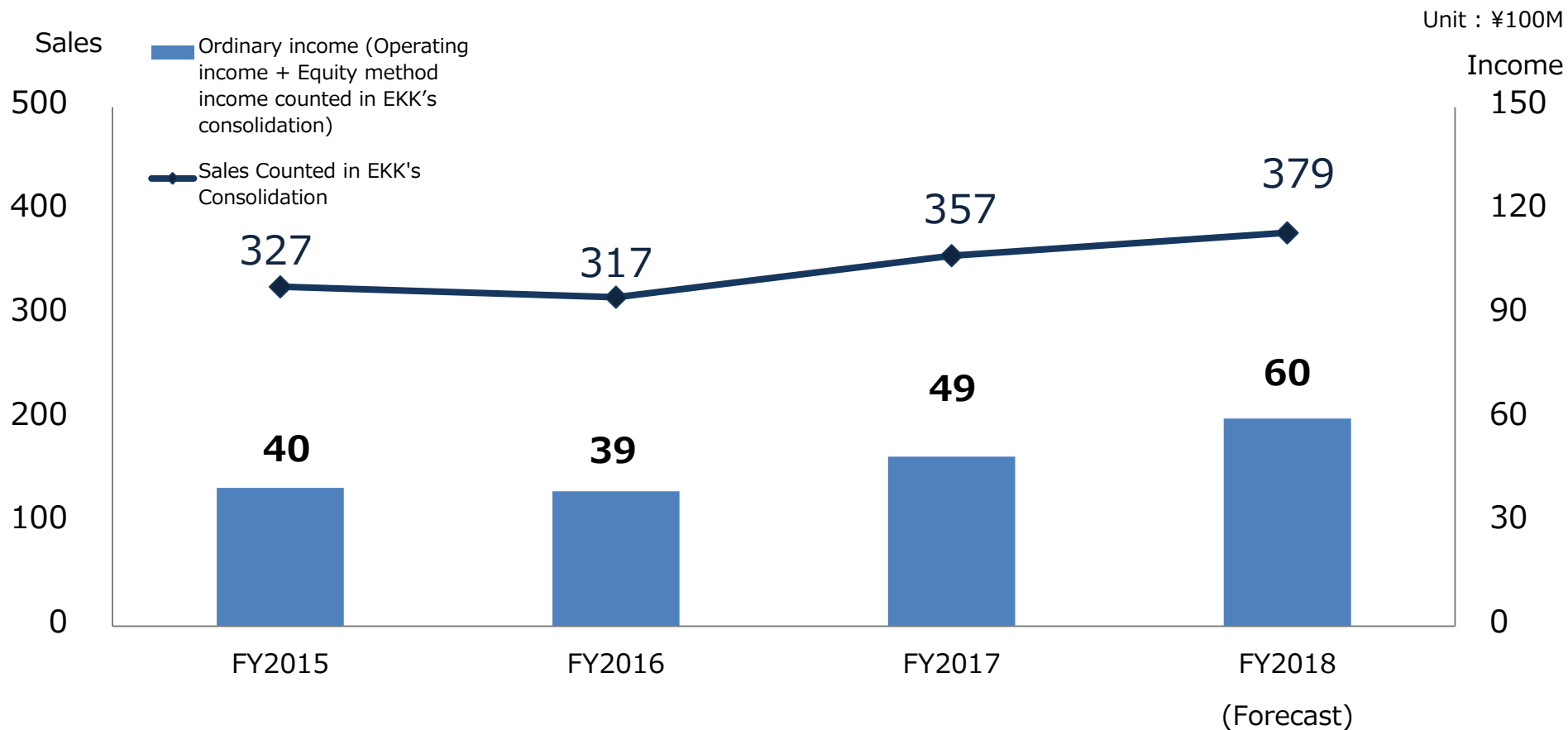
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3 Regions (Japan, India and Asia Pacific) will remain solid in this term.

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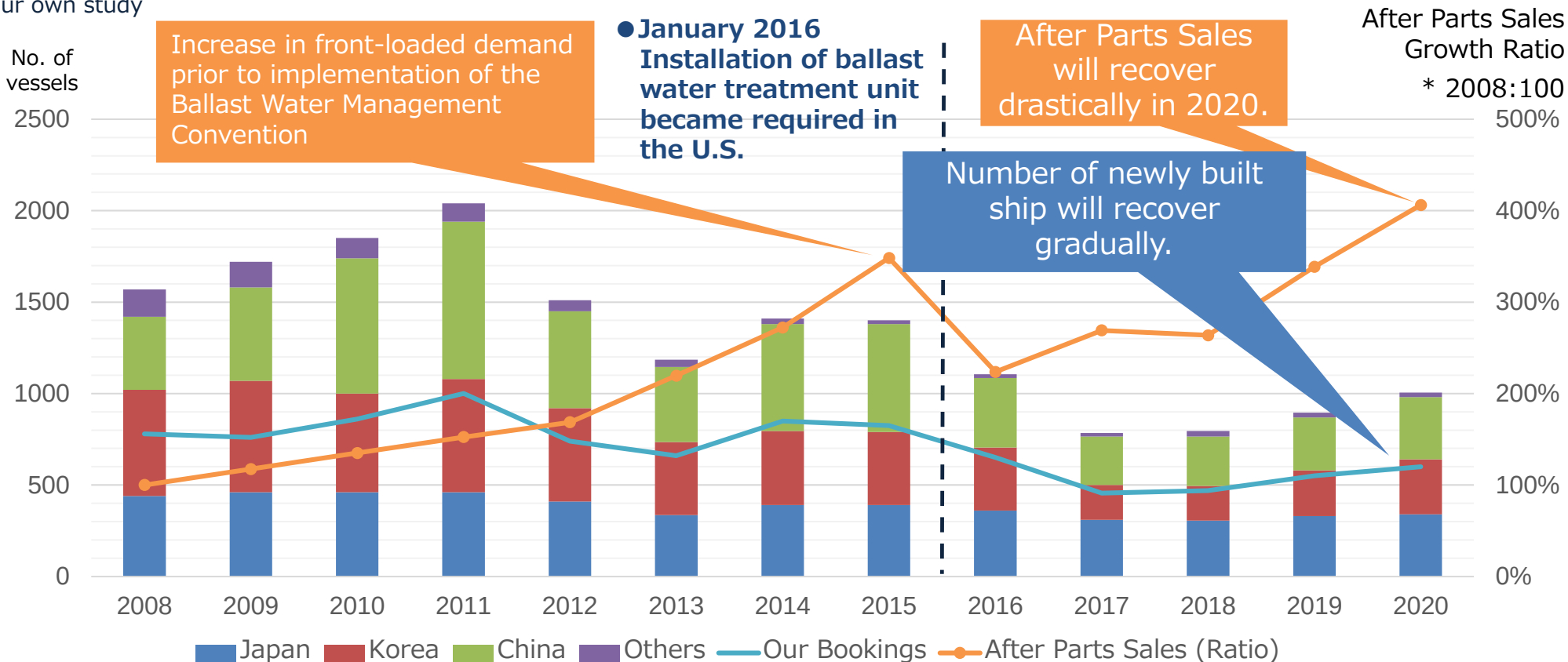
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* Our own study



Sales for newly built ship: Bottom out in 2017 and recover gradually
After Parts Sales : Recover drastically in 2020

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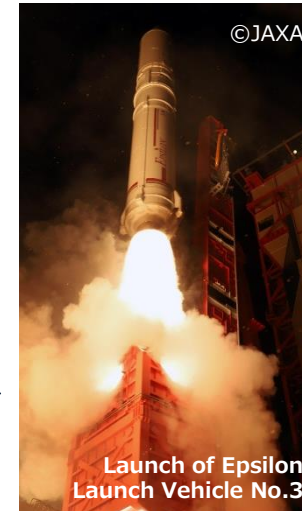
H-IIA Rocket
Launch Succeeded
 2017/12/23 : No.37
 2018/2/27 : No.38



H-3 Rocket / LE-9 Engine
Joining Development Project
 Turbo Pump Unit Test Succeeded
 Pilot Engine Combustion
 Test to Be Executed



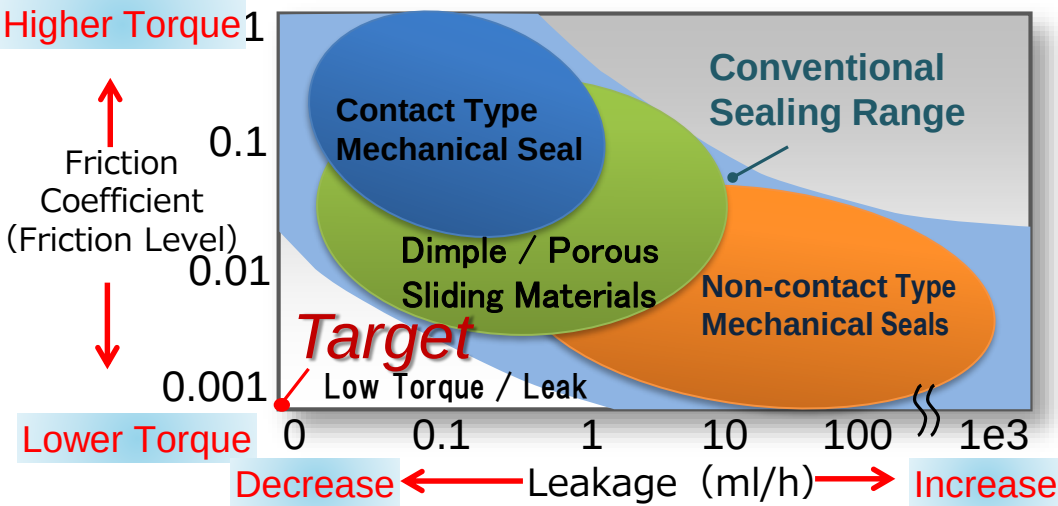
Epsilon Launch Vehicle
Launch Succeeded
 2018/1/18 : No.3



Supplying Mechanical Seals, Other Seals,
 and Valves

Supplying Valves and
 Filters

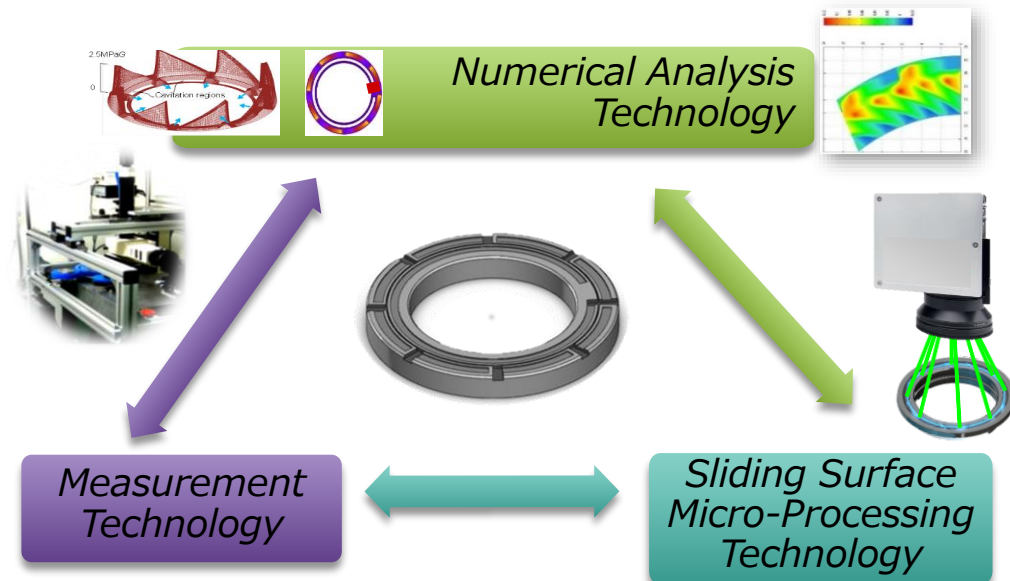
Correlation Between Torque and Leakage



“Surface Texturing Technology”
Realize low leakage at low torque environment which used to be impossible by adding “Texture” (e.g. groove) on the sliding surface

Engineering Technology for Surface Texturing

- Establish high precision numerical-analysis for Mechanical Seal designing



- Establish high resolution visualization test system
- Establish extreme low torque measurement test system

- Establish Micro-processing technology

For the Launch of Surface Texturing Technologies

- Water Pump Seal
- Turbo Compressor Seal
- Supercharger Seal
- Turbocharger Seal
- Seal for EV Electric Motor Cooling
- CO2 Compressor Seal etc...



General Industry

- High-speed High-pressure Pump
- Seal for LPG Pump etc...

Automobile



Rocket



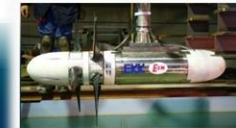
Aero Plane



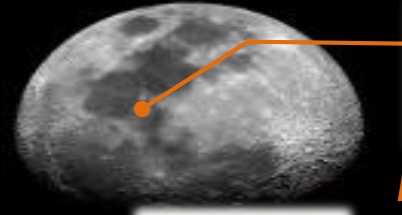
Hydraulic Power Generator



Underwater Probe



Wave Power Generator Tidal Stream Power Generator



Lunar Surface Rover

- Gear Box Seal
- Seal for Next-Gen Rocket Engine etc...

Fly Sky High !

