

Eagle Industry Co., Ltd. Financial Results for Fiscal Year Ended March 31, 2021

May 13, 2021



1. FY2020 Results:

Net sales decreased YoY, but income increased YoY in all business segments due to expense reduction and fixed cost reduction etc.

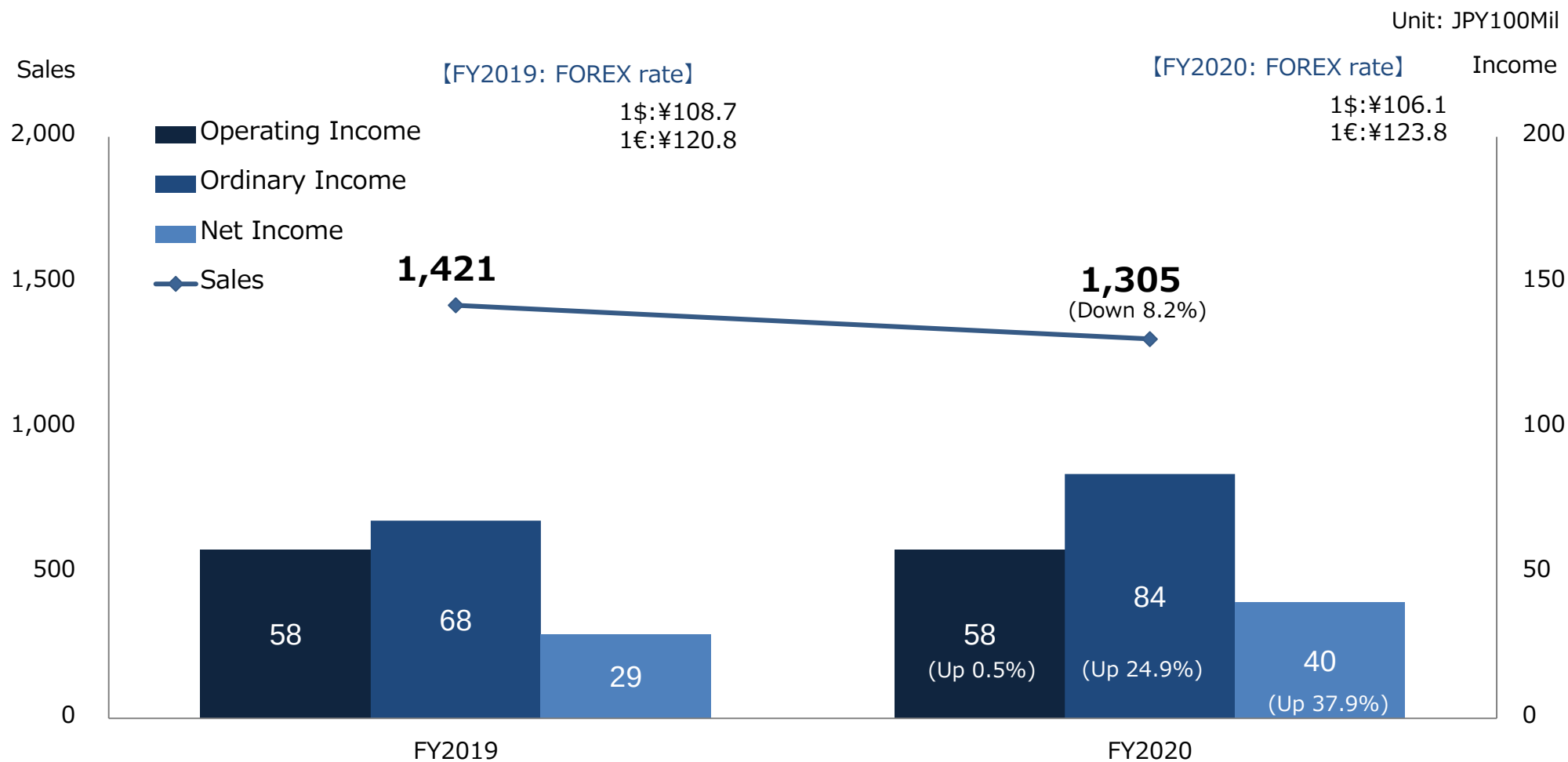
Operating income and all other income increased YoY.

Year-end dividend for FY2020 is 25 yen as planned (annual total: 50 yen)

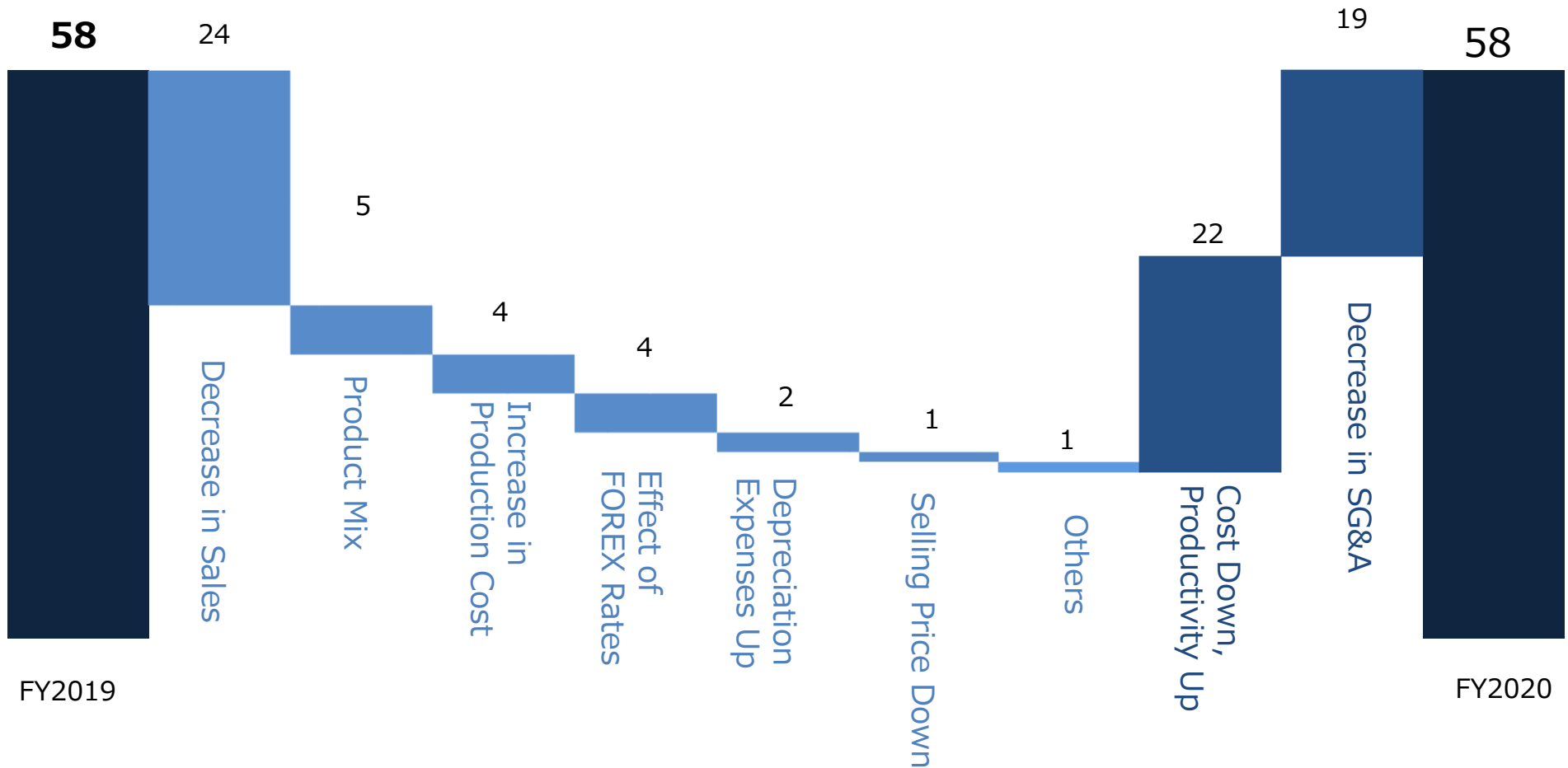
2. FY2021 Forecast:

Both net sales and income will increase YoY driven mainly by the recovery in global automobile production and continued growth in the semiconductor market, although the spread of COVID-19 remains unpredictable.

- 1. FY2020 Results Overview**
2. FY2021 Forecast / 2-Year Plan Overview
3. Business Unit Report



Unit: JPY100Mil



Unit: JPY100Mil

		FY2020 Results	Increase/Decrease	vs. FY2019
Automobile & Construction Machinery	Sales	782	▲84	90%
	Operating Income	9	▲11	45%
General Industry	Sales	263	▲42	86%
	Operating Income	22	▲2	91%
Semiconductor	Sales	91	20	129%
	Operating Income	2	9	—
Marine	Sales	105	▲4	97%
	Operating Income	20	5	129%
Aerospace	Sales	63	▲7	91%
	Operating Income	4	0	110%
Total	Sales	1,305	▲116	92%
	Operating Income	58	0	101%

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- We have started a 2-year plan to implement various measures to recover profits declined under the COVID-19 crisis.
As the situation remains unpredictable due to the spread of new strains of COVID-19, we will continue to take thorough infection prevention measures by making the safety of our employees and their families our top priority, and at the same time ensure the continuation of our business.
- We will focus on the semiconductor industry business as a future growth driver.
- We will accelerate the development and proposal of new products that contribute to the “Environmental Preservation and Energy Efficiency” for various markets including automobiles.

We have established the “Sustainability Committee” this fiscal year to promote corporate activities that take into account not only economic but also social principles.

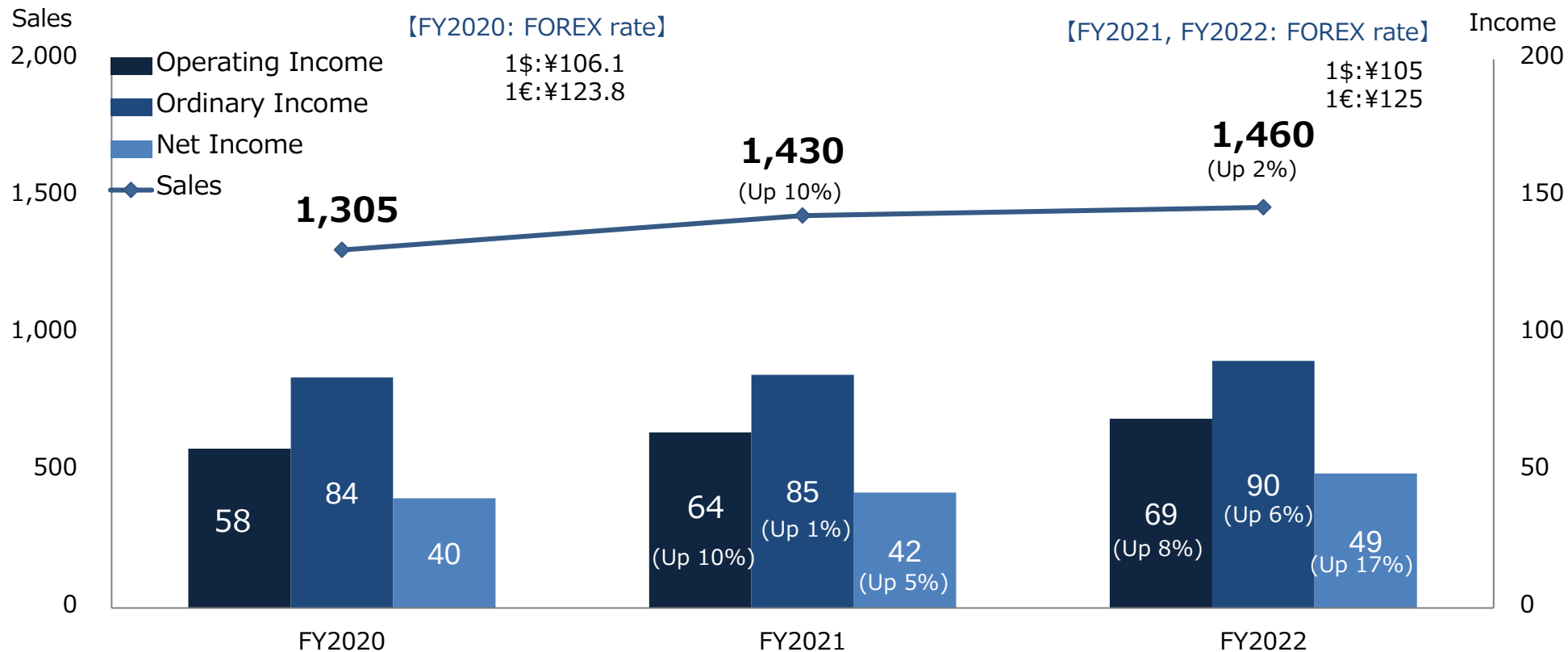
	ESG items that EKK is focusing on
E	Development of products that contribute to the environment
	Environmental management
S	Quality assurance
	Human resource development, Human resource policies, Diversity
	Social contribution activities
	Occupational health and safety
	Supply chain
G	Risk management, Compliance

Environmental Preservation and Energy Efficiency, Proprietary Technology That Makes them Possible

We will identify our materiality from each of the ESG items, and aim to strengthen and enhance the disclosure of each activity, as well as develop and grow products that contribute to the environment by utilizing our proprietary technologies. As a result, we will contribute to carbon neutral and the SDGs.

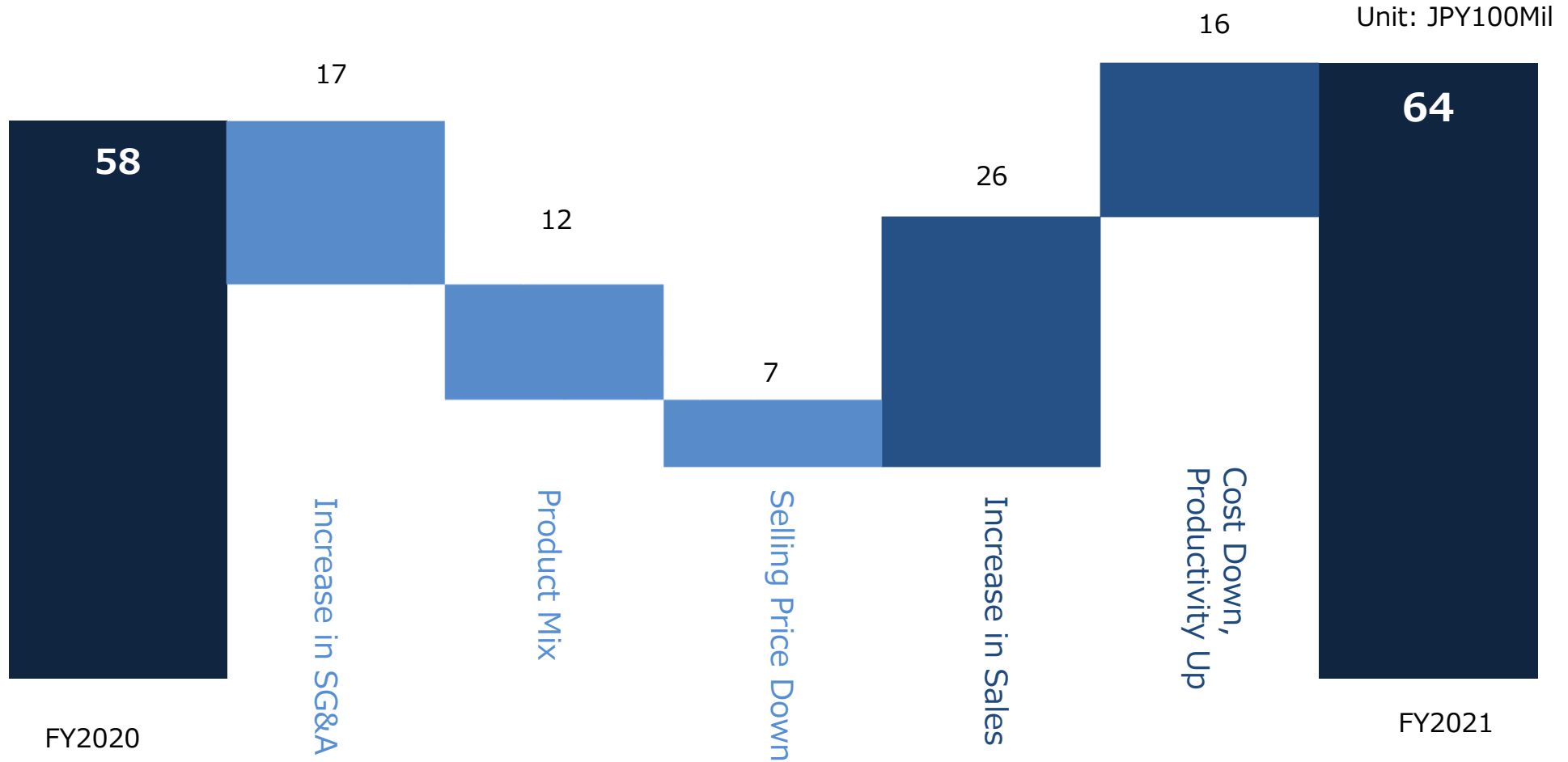


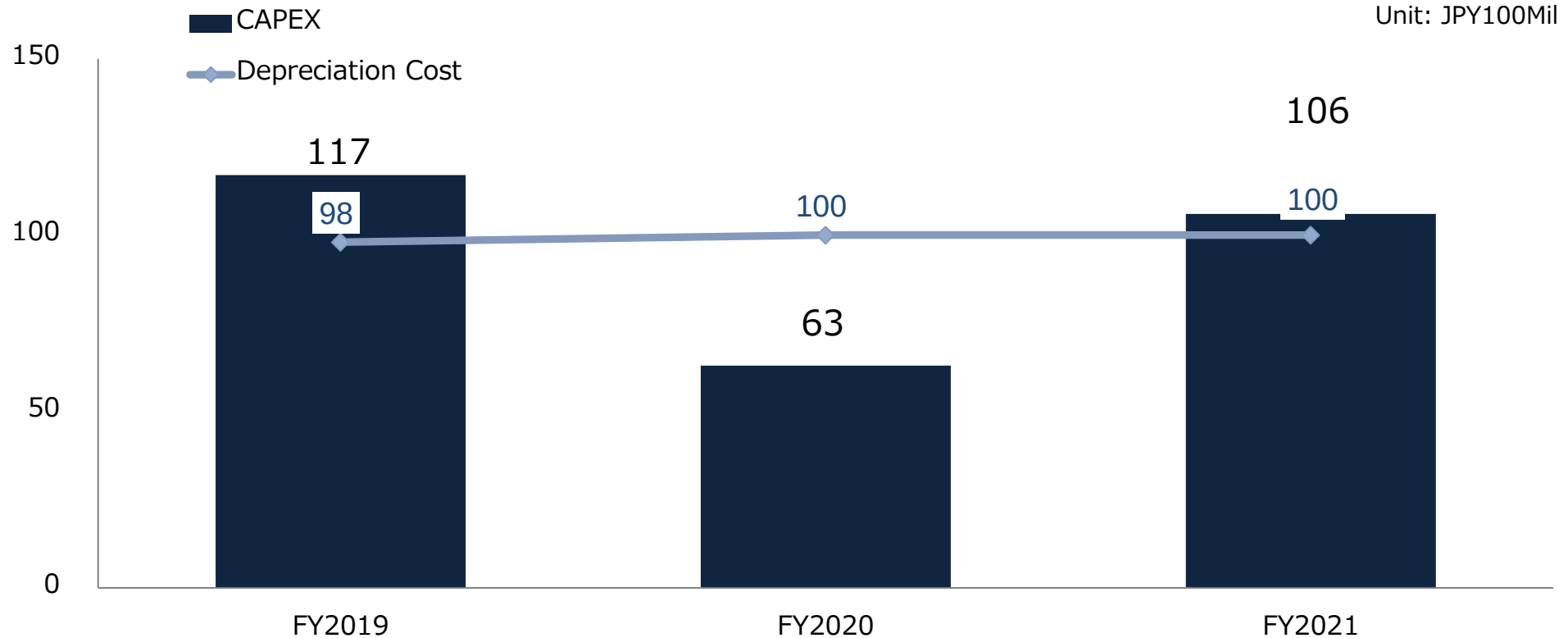
Unit: JPY100Mil



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		FY2021 Forecast	Increase/ Decrease	vs. FY2020	FY2022 Plan	Increase/ Decrease	vs. FY2021
Automobile & Construction Machinery	Sales	852	70	109%	864	12	101%
	Operating Income	27	18	293%	29	2	107%
General Industry	Sales	292	29	111%	307	15	105%
	Operating Income	22	0	100%	22	0	100%
Semiconductor	Sales	106	15	116%	115	9	108%
	Operating Income	4	1	148%	6	2	162%
Marine	Sales	99	▲6	94%	105	6	106%
	Operating Income	10	▲10	50%	11	1	110%
Aerospace	Sales	81	18	128%	69	▲12	85%
	Operating Income	1	▲3	30%	1	▲0	77%
Total	Sales	1,430	125	110%	1,460	30	102%
	Operating Income	64	6	110%	69	5	108%



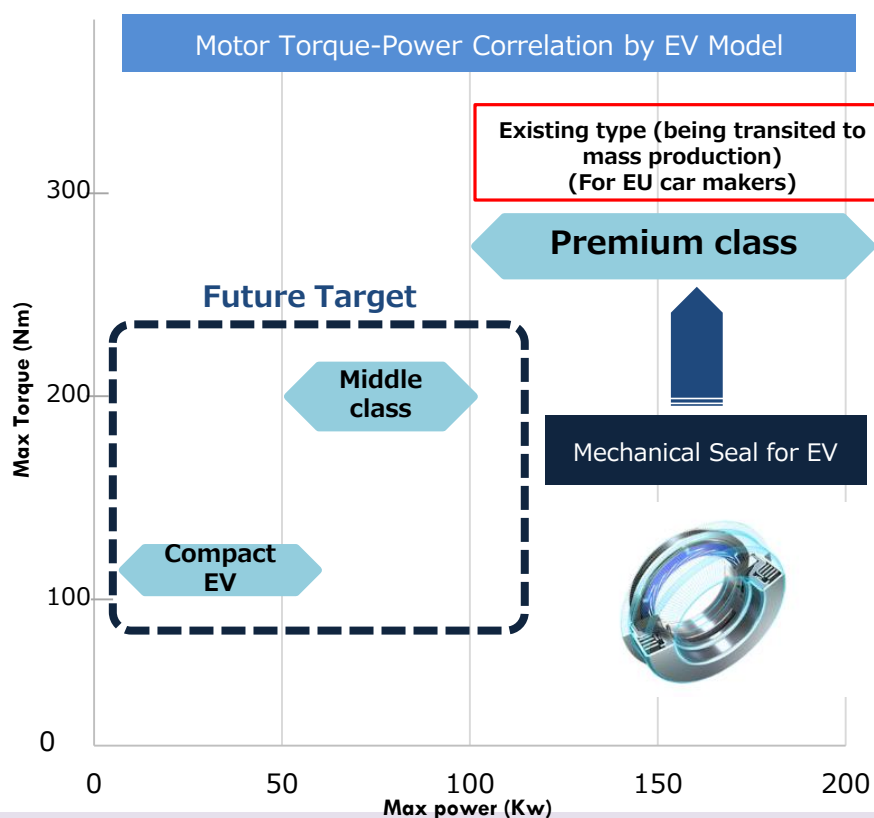


Capital expenditure for FY2020 decreased due to the careful selection of new investment under the COVID-19 crisis.

	FY2019	FY2020	FY2021
Dividend (Yen)	50	50	50
Dividend Payout Ratio (%)	84.4	61.2	58.4
Equity Ratio (%)	44.9	47.8	45.8
Earnings Per Share (Yen)	59.24	81.70	85.57
ROE (%)	3.7	5.0	5.1
ROA (%)	1.7	2.3	2.4
ROIC (%)	3.1	3.1	3.3

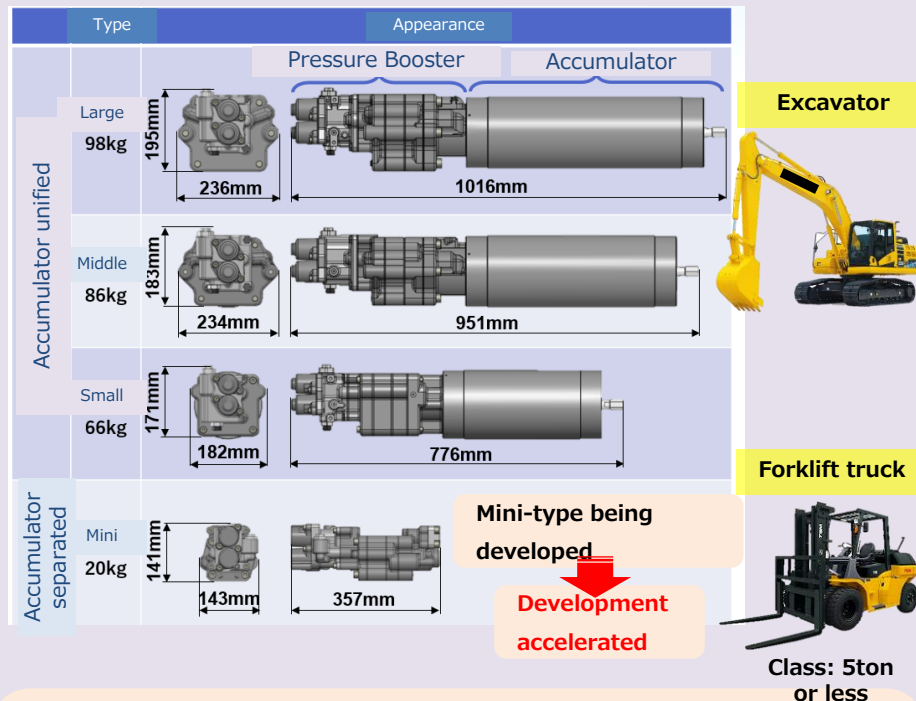
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e-Motor Mechanical Seal for EV



We will accelerate development targeting middle-class and compact types.

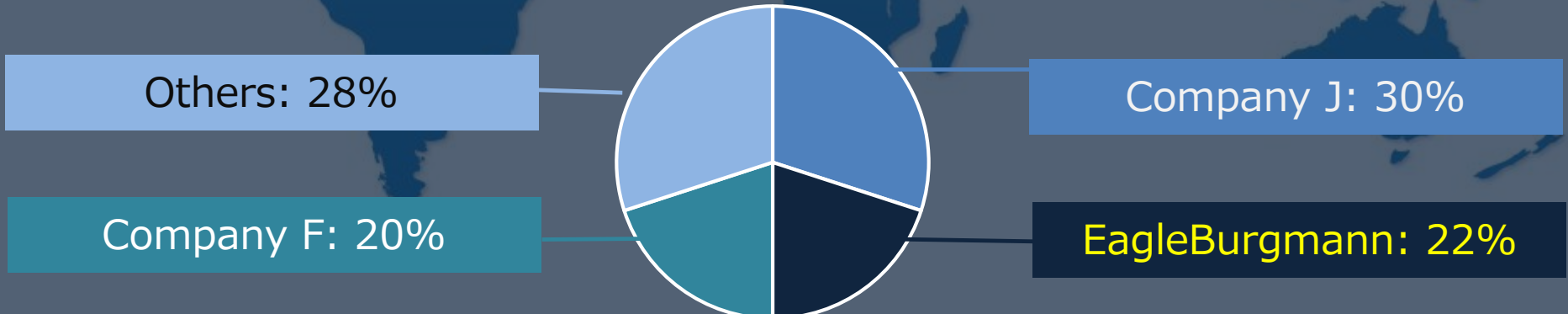
Pressure Booster (Hydraulic Hybrid)



- Energy consumption reduced by 10% for excavators and 15% for forklift trucks
- Development of mini-type for forklift trucks accelerated, which is expected to be launched at an early stage
- Sales promotion accelerated due to global expansion



Global Market Share of Mechanical Seals for General Industry



We are developing liquid hydrogen seals for hydrogen power generation and other markets where hydrogen is used.



Storage



Transportation



Supply

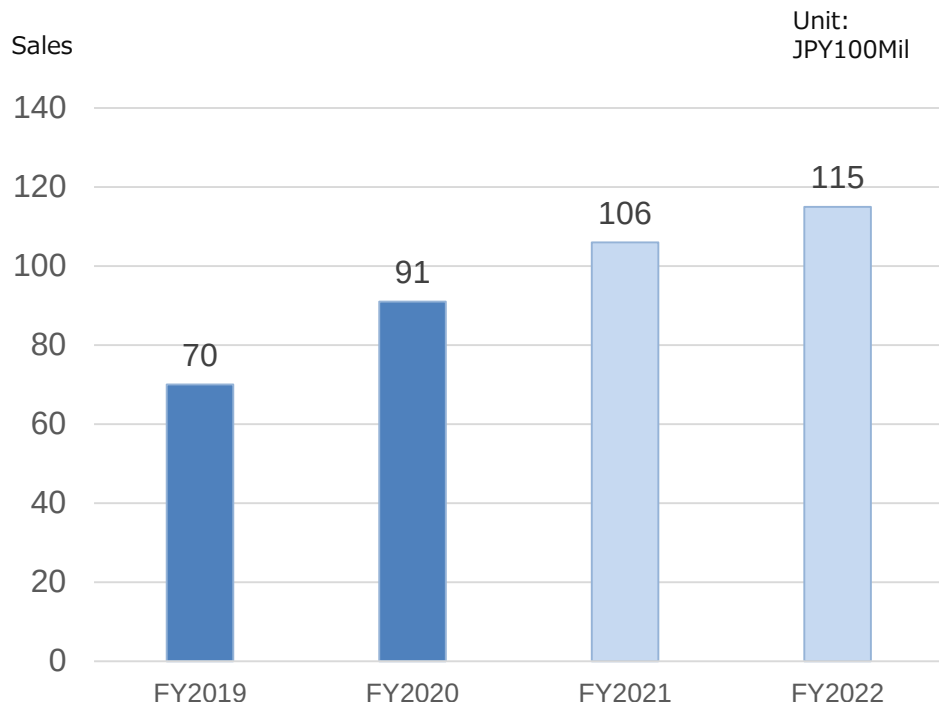


Seal for Liquid Hydrogen Pump

Mechanical seals used for pumps during storage, transportation and supply of liquefied hydrogen (-235°C)

We will accelerate the development of products that contribute to carbon neutral in the general industrial machinery business.

Sales Results & Forecast of Semiconductor Products



Sales are expected to increase from this fiscal year onward as the semiconductor industry market grows.

EKK Products for Semiconductor Industry

Magnetic Fluid Seal



Vacuum seal for semiconductor / FPD manufacturing equipment

High Performance O-Ring



Synthetic rubber that has elasticity, Teflon chemical resistance and thermal stability

Welded Metal Bellows



Used in reciprocal part of semiconductor / LCD panel manufacturing equipment

Rotary Joint



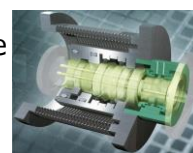
Used in lapping equipment for semiconductor manufacturing processes such as CMP for wafer

Bonded Door Seal



Seal made of rubber baked into gate valve for semiconductor manufacturing equipment

Hybrid Seal



Seal combining magnetic fluid seal, bellows, rotary joint, etc.

In 2020 IMO's (International Maritime Organization) GHG Reduction Strategy **In 2050**

Carbon Fuel

LNG/LPG Fueled Ships,
Methanol/Ethanol Vessels

Carbon Neutral

Biofuel Vessels,
Synthetic Methane Fueled
Vessels

Carbon Free

Ammonia/Hydrogen Fueled
Ships,
Electric Propulsion (EV) Ships

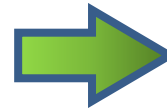
EKK Environmentally Friendly Products



**Stern Tube
Air Seal**



**Biodegradable
Stern Tube
Lubricating Oil**



**Water Lubricated Stern Tube
System**



The commercial aircraft market is in a very difficult situation due to COVID-19 impact. The market is not expected to recover until 2024 or later.

On the other hand, demand for small aircraft used for domestic flights is recovering quickly, and we have resumed manufacturing of products for small jet engines and we have received some new inquiries.

Small Jet Engine



Small Jet Aircraft (Single Aisle Aircraft)



Actiseal

Metal seal with low load characteristics, spring characteristics, and self-pressurizing function



Segment Seal

Seal for aircraft engine main shaft



We will continue product development as the commercial aircraft market is expected to grow as before in the long term.



May 21, 2020: H-IIB Rocket No.9
"KOUNOTORI" launched

The first H3 rocket test vehicle to be launched in FY2021



In 2020



July 20, 2020:
H-IIA Rocket No.42
UAE Mars Climate Orbiter
"HOPE"



Nov. 29, 2020:
H-IIA Rocket No.43
Data Relay Satellite-1 /
Optical Data Relay Satellite



Mechanical Seals, Various Seals, Valves etc.

We will continue to supply mechanical seals and valves for the H3 rocket following the H2 series.

Fly Sky High !

