

Eagle Industry Co., Ltd. Financial Results Briefing for Fiscal Year Ended March 31, 2024

May 13, 2024

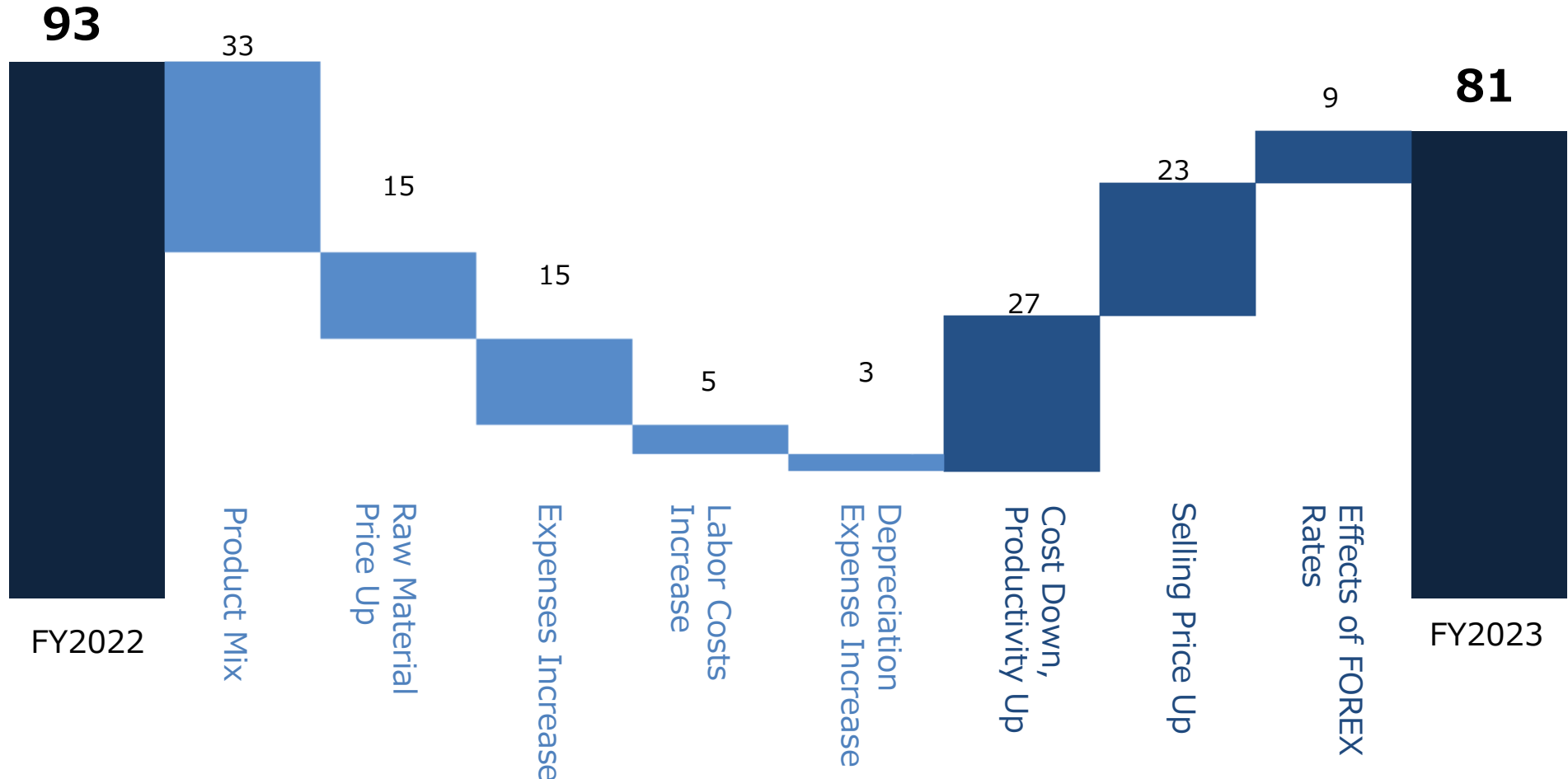


- 1. FY2023 Results Overview,
FY2024 Full-Year Forecast**
- 2. Future Business Development,
Business Unit Report**

Unit: JPY 100Mil

	FY2022 Results	FY2023 Results	vs. FY2022	
Sales	1,574	1,670	96	108%
Operating Income	93	81	▲12	83%
Ordinary Income	123	138	15	112%
Profit Attributable to Owners of Parent	68	75	7	110%
(Average actual exchange rate)				
1 dollar	135.5 yen	144.6 yen		
1 Euro	141.0 yen	156.7 yen		

Unit: JPY 100Mil



Unit: JPY 100Mil

		FY2022 Results	FY2023 Results	Increase/ Decrease	vs. FY2022
Automobile & Construction Machinery	Sales	849	905	55	107%
	Operating Income	14	16	2	118%
General Industry	Sales	338	385	47	114%
	Operating Income	28	32	4	114%
Semiconductor	Sales	167	151	▲16	90%
	Operating Income	16	▲8	▲23	-
Marine	Sales	136	150	14	111%
	Operating Income	33	34	0	101%
Aerospace	Sales	84	80	▲4	96%
	Operating Income	1	6	5	444%
Total	Sales	1,574	1,670	97	106%
	Operating Income	93	81	▲12	87%

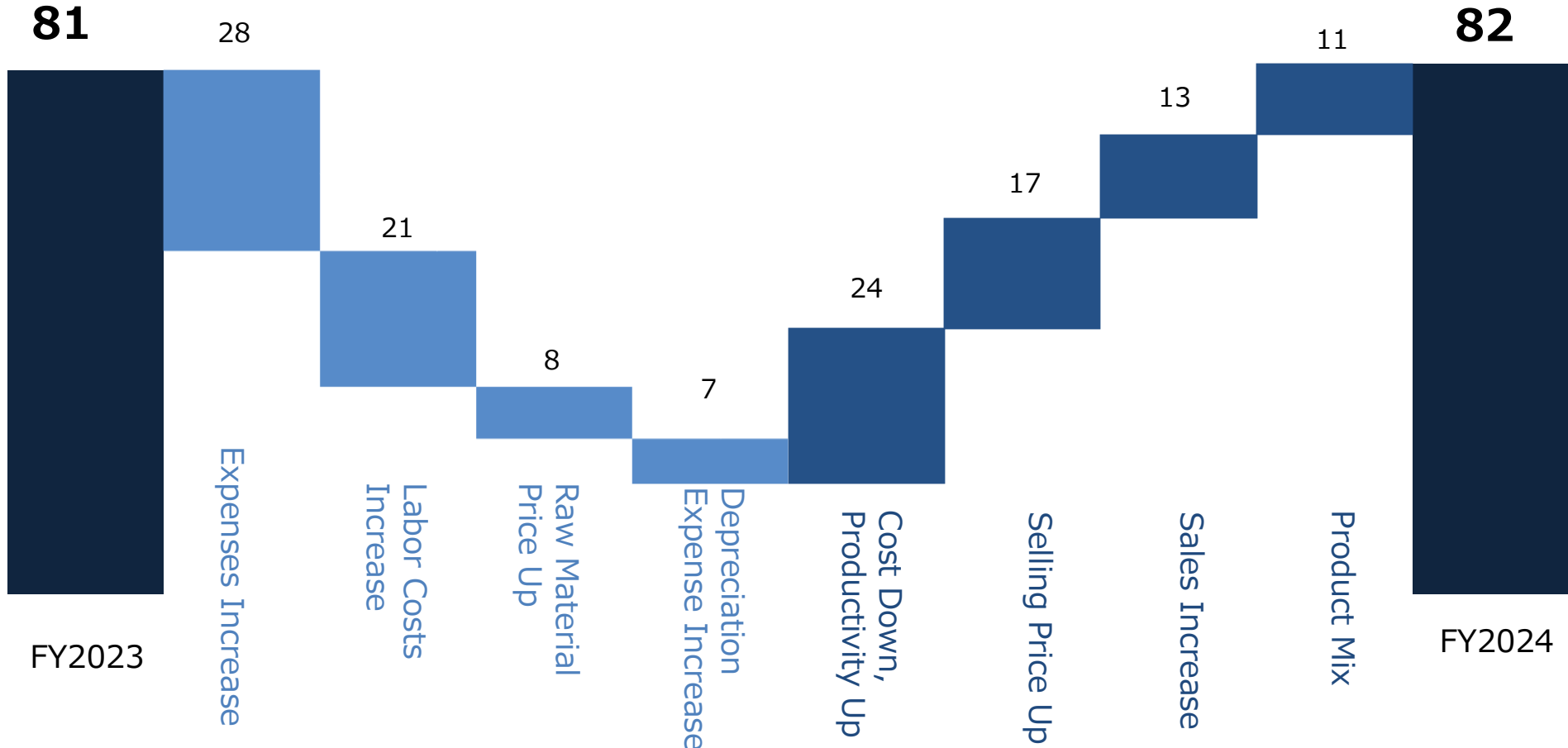
Unit: JPY 100Mil

	FY2023 Results	FY2024 Forecast	vs. FY2023	
Sales	1,670	1,700	30	102%
Operating Income	81	82	1	101%
Ordinary Income	138	110	▲28	80%
Profit Attributable to Owners of Parent	75	71	▲4	95%

(Average actual exchange rate)

1 dollar	144.6 yen	144.6 yen
1 Euro	156.7 yen	156.7 yen

Unit: JPY 100Mil



Unit: JPY 100Mil

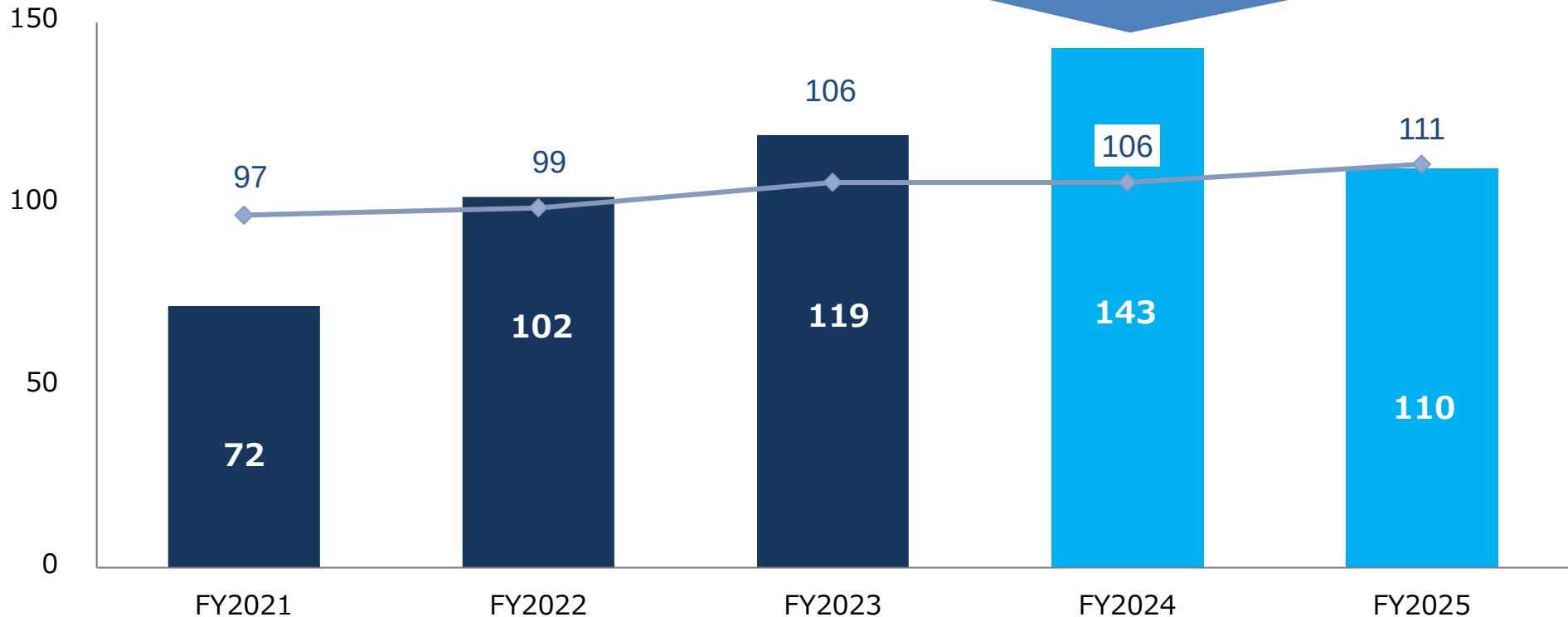
		FY2023 Full-Year Results	FY2024 Full-Year Forecast	Change	Change (%)
Automobile & Construction Machinery	Sales	905	905	0	100%
	Operating Income	16	22	6	136%
General Machinery	Sales	385	401	16	104%
	Operating Income	32	40	8	124%
Semiconductor	Sales	151	157	6	104%
	Operating Income	▲8	▲14	▲6	-
Marine	Sales	150	149	▲1	99%
	Operating Income	34	27	▲7	80%
Aerospace	Sales	80	88	8	109%
	Operating Income	6	7	1	112%
Total	Sales	1,670	1,700	30	102%
	Operating Income	81	82	1	101%

■ CAPEX
◆ Depreciation

Unit: JPY 100Mil

(Investment in growth areas)

Mass production of new products for the automotive industry: 2.1 billion yen
Business for the semiconductor industry (Tsukuba Plant): 3.7 billion yen
Increased production of products for the aerospace industry: 0.7 billion yen
Research and development: 0.8 billion yen



**Current
Situation****End of March 2024**

BPS : 2,571 yen, PBR : approx 0.7

ROIC : 3.7% < WACC : around 6%

ROE : 6.8% < Cost of Capital : 8~9%

Targets for March 2026 :

ROIC : 6 % ROE : 9%

Target profit levels have not been reached, and ROE and ROIC have not reached their targets.

**Business
Issues**

- Profitability improvement in business for the automobile and construction machinery industries
- Recovery of business for semiconductor industry

**Improvement
Policy**

- Continued development of new products and expansion of business for the semiconductor industry
- Expand sales and improve profit margin
- Appropriate shareholder returns, reduction of cross-shareholdings, and other efforts to improve the balance sheet

Achieve 10% of ROE in the medium to long term and further improve PBR

Shareholder return policy during the period of the medium-term management plan (FY2023-FY2024)

(total approximate amount of 18 billion yen)

Partial change of return method in consideration of the Company's earnings trend, shareholder composition, etc.



- **Stock Buyback**

The planned acquisition of 12.0 billion yen in total has been scrapped, and the policy has been changed to one of flexible acquisition in response to trends in market share prices, etc. (3,000,000 shares, worth approximately 5.2 billion yen, were repurchased in the FY 2024.)

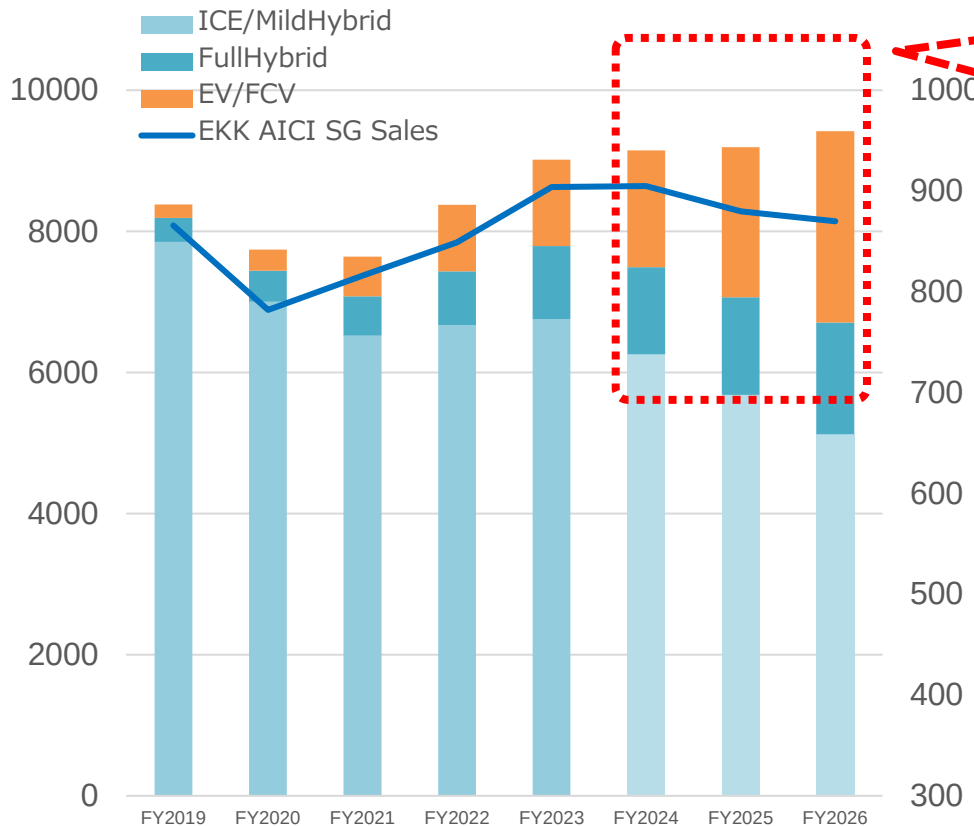
- **Dividend**

From "DOE of 2.5% or more, continuing at 70 yen per year" changed to "DOE of 3.0% or more and continuation of at least 80 yen per year."

*The year-end dividend forecast for the fiscal year ending March 2024 has also been revised from 35 yen to 45 yen. (dividend increase)

1. FY2023 Results Overview,
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Business Unit Report

Global automobile production
(ten thousands)



(Future Business Environment Trends)

Global automobile production continues to expand, but the share of EV/FCV and hybrid vehicles continues to increase.

- Sales of existing mainstay products are on a downward trend (water pump seals, valves for air conditioner compressors) as the electrification of automobile auxiliary equipment progresses in line with the electrification of vehicle models.
- New inquiries are increasing regardless of car models, and we will continue our efforts to secure steady orders and revenues.



CES

- Solenoid valve for hydraulic control of suspension
- Contributes to vehicle attitude stability and ride comfort (used in heavy EVs)



Canister Purge Valve

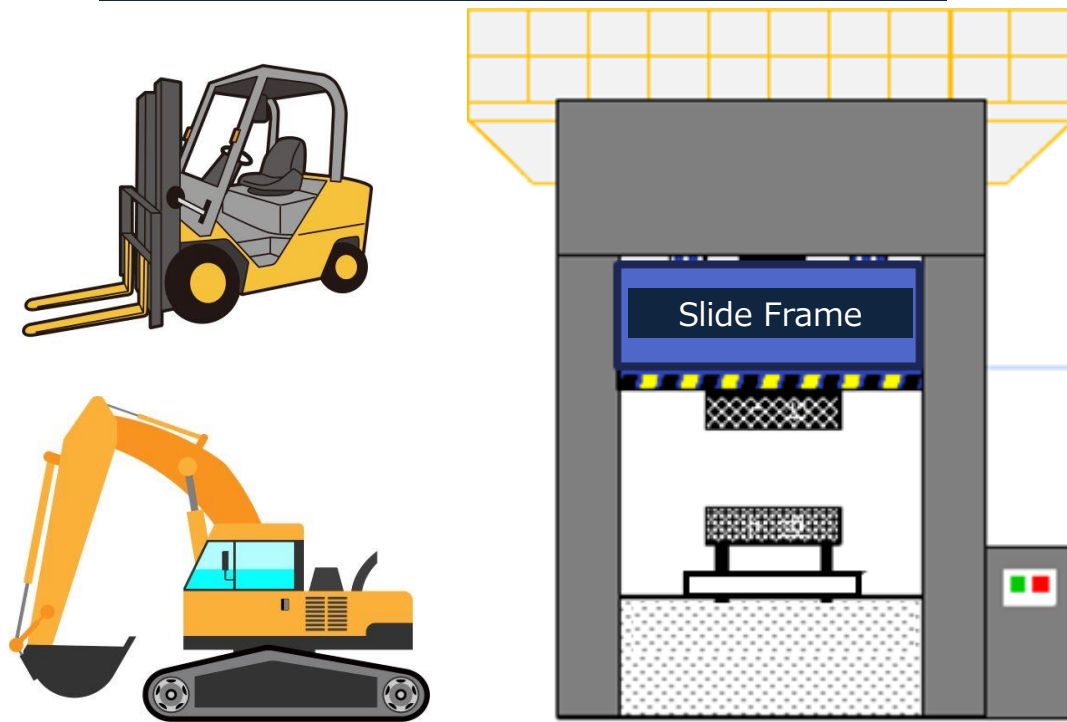
- For next-generation engines (valves to prevent gasoline vaporization)
- Expanding market share in Europe

Hydraulic Energy Regeneration System

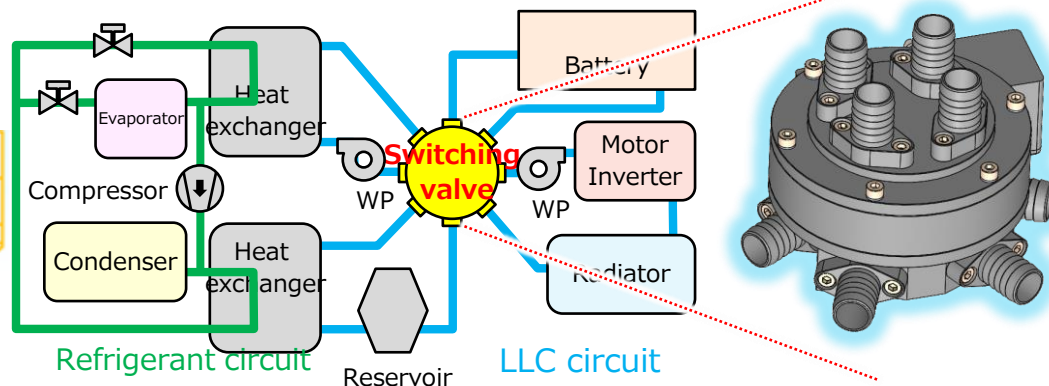
HyBEKSTER

Started demonstration tests for application to press machines in addition to construction machinery and forklift trucks.

FY2030: Sales Target JPY 5 Billion



Expand sales of products for thermal management

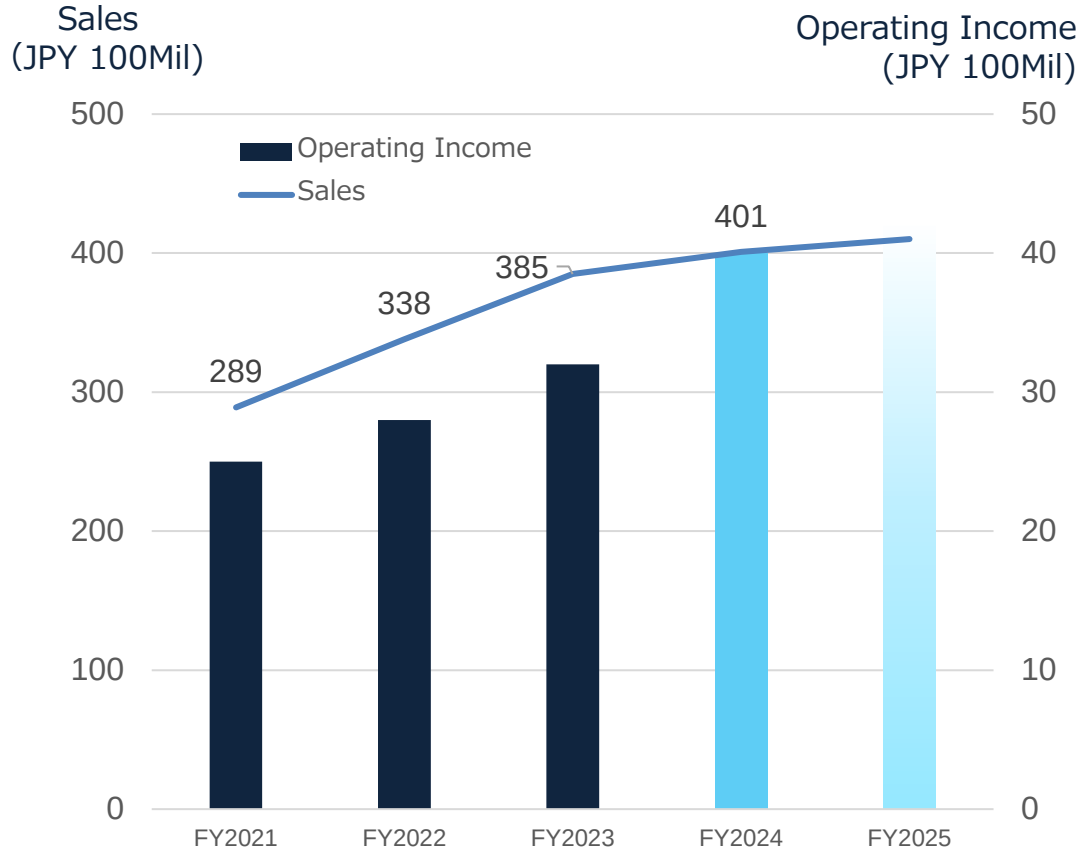


Thermal Management System LLC flow switching valve

Low heat loss achieved by low friction and high sealing technology of mechanical seal, compact size and light weight

FY2030: Sales Target JPY 3 Billion

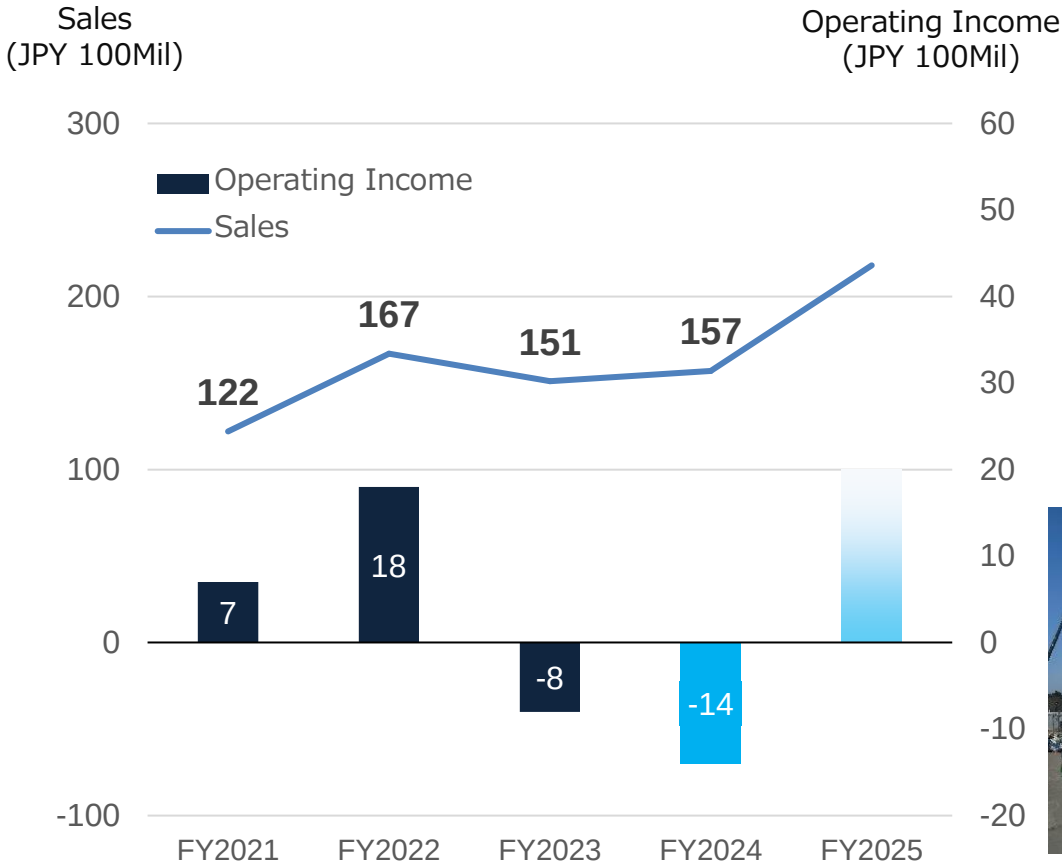
Sales & Profit Trends for General Industry Business



Business Model for General Industry



Sales & Profit Trends for Semiconductor Business



- Operating loss was recorded in FY2023 due to decline in semiconductor industry from the second half onward.
- Sales are expected to recover from the second half of FY2024, but operating loss is expected to increase due to depreciation expenses, increase in headcount, and inventory adjustments by customers.
- Sales and profits are expected to recover from FY2025 onward.

Tsukuba Plant (new building) building construction status



Completed in July 2024

Products : Hybrid Seal

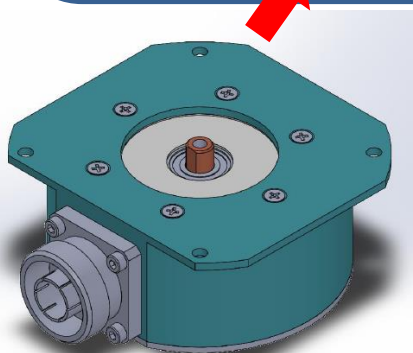
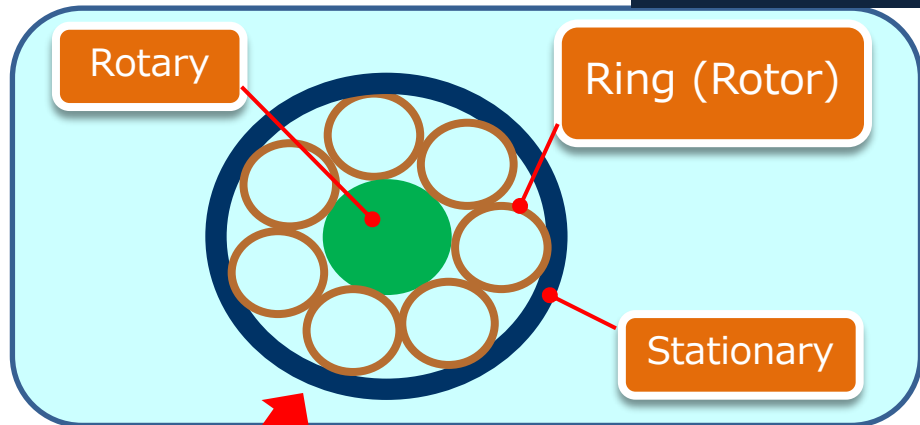


Seal combining magnetic fluid seal, bellows, rotary joint, etc.

Rotor Type Slip Ring for High Frequency Power Supply

Hybrid Seal with Integrated Slip Ring

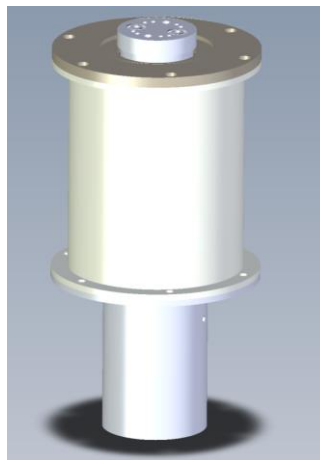
FY2030: Sales Target JPY 5 Billion



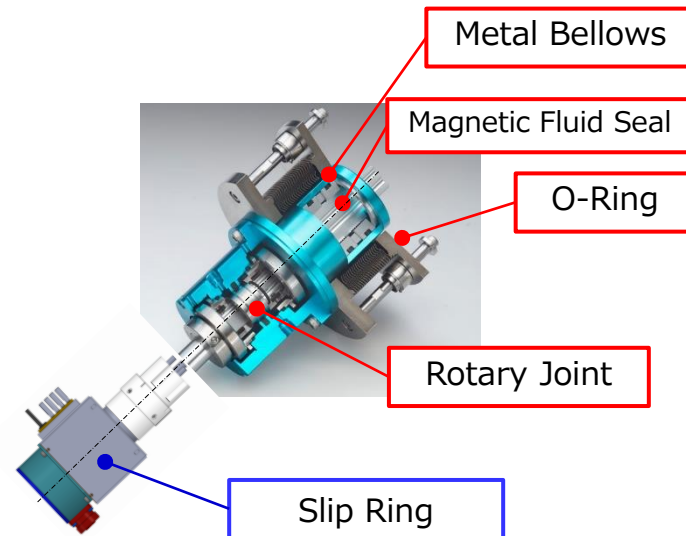
Rotor type design contributes to

- **long life,**
- **low electrical resistance,**
- **maintenance free,**
- **low dust emission.**

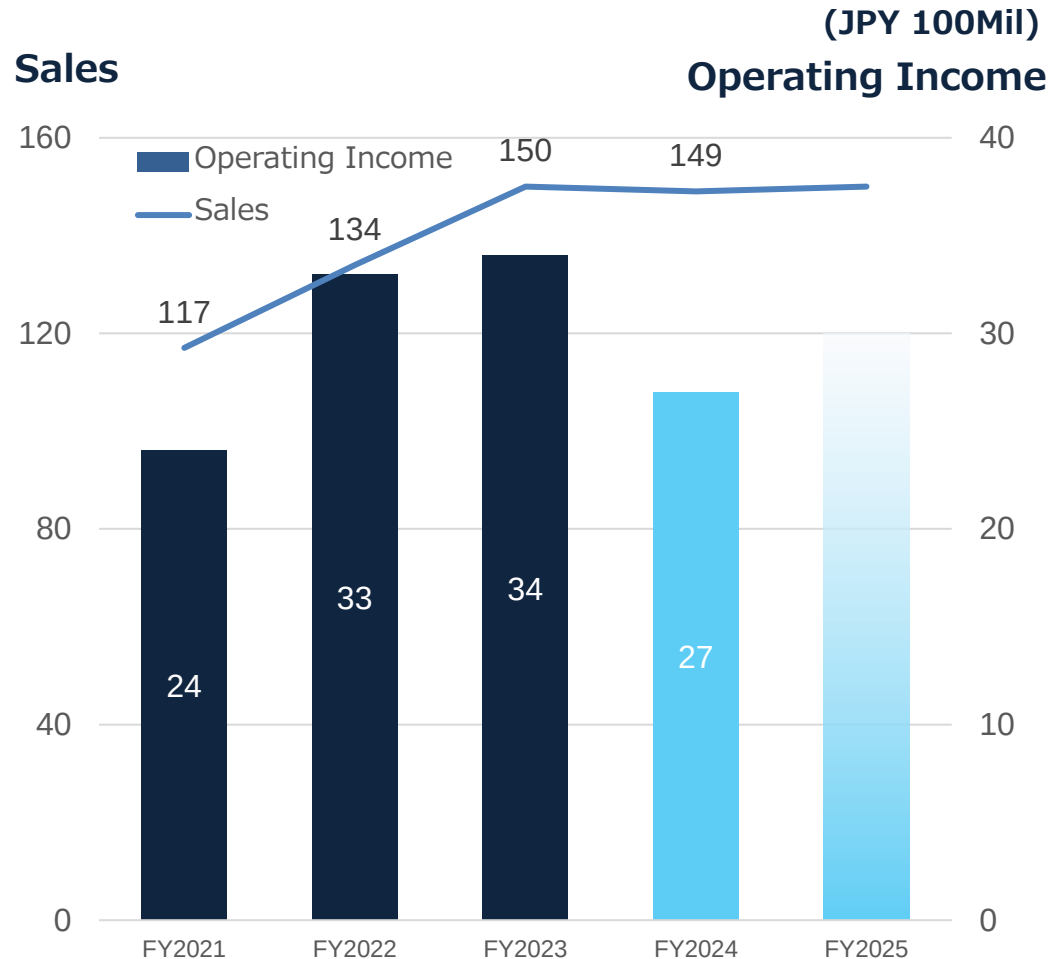
Rotor Type Slip Ring for High Frequency Power Supply



Hybrid Seal with Integrated Slip Ring



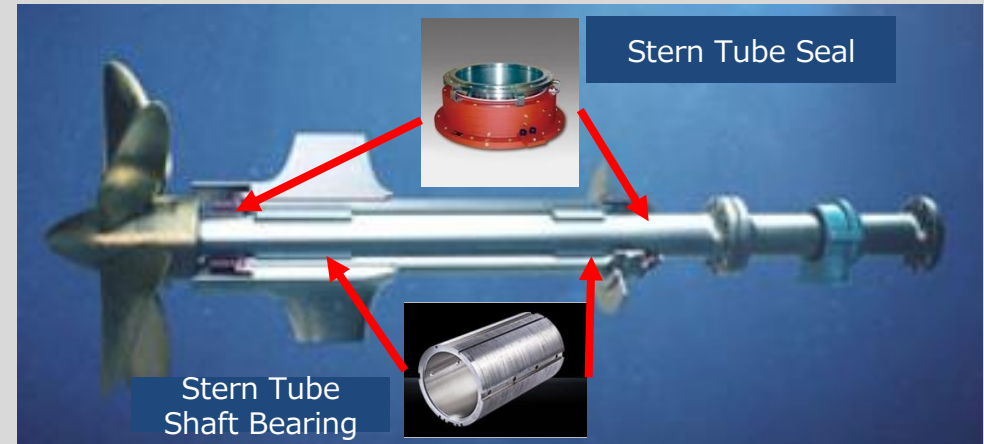
- **Compact product combined with magnetic fluid seal, rotary joint, O-Ring, and metal bellows**
- **Various applications such as power supply, signal, high frequency power supply, etc.**



Current and Future Business Trends

- FY2023: Increase in orders due to increase in new shipbuilding
- FY2024: After-sales parts sales are expected to decline once in 2025, but sales to new shipbuilders are expected to increase steadily.
- Market is on an expansionary trend due to an increase in shipping capacity, and we will continue to expand our market share and secure after-sales service.

Main Products for Marine Industry

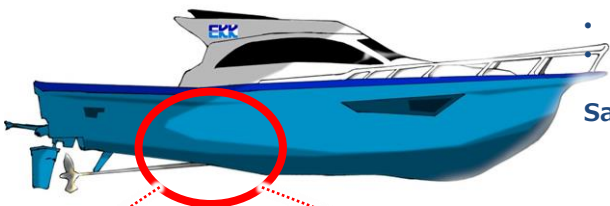


"Marine Ace Seal" for Small Boats

[Product Features]

- High maintainability
- High vibration resistance
- Excellent tracking to propeller shaft

Sales start: April 2024



Developed seals for pleasure boats, fishing boats and other small vessels,
Expanding business for new fields.

FY2030: Sales Target JPY 3 Billion

Multi Temperature/Pressure Sensor Module [wireless type]

[Product Features]

- Compact and light weight sensor
- Battery-powered for long life
- Simultaneous measurement of pressure and temperature
- Long-distance wireless communication

Sales start: October 2023

VALCOM



Multi-Sensor

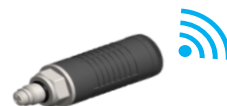


Receiver

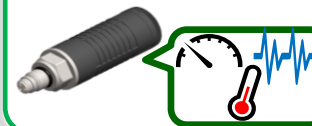
Development and expansion of product lineup based on the above mass-produced products is underway!

[Ver.02 Product Lineup]

Supports LoRaWAN communication



Pressure, Temperature & Vibration Measurement (3in1)

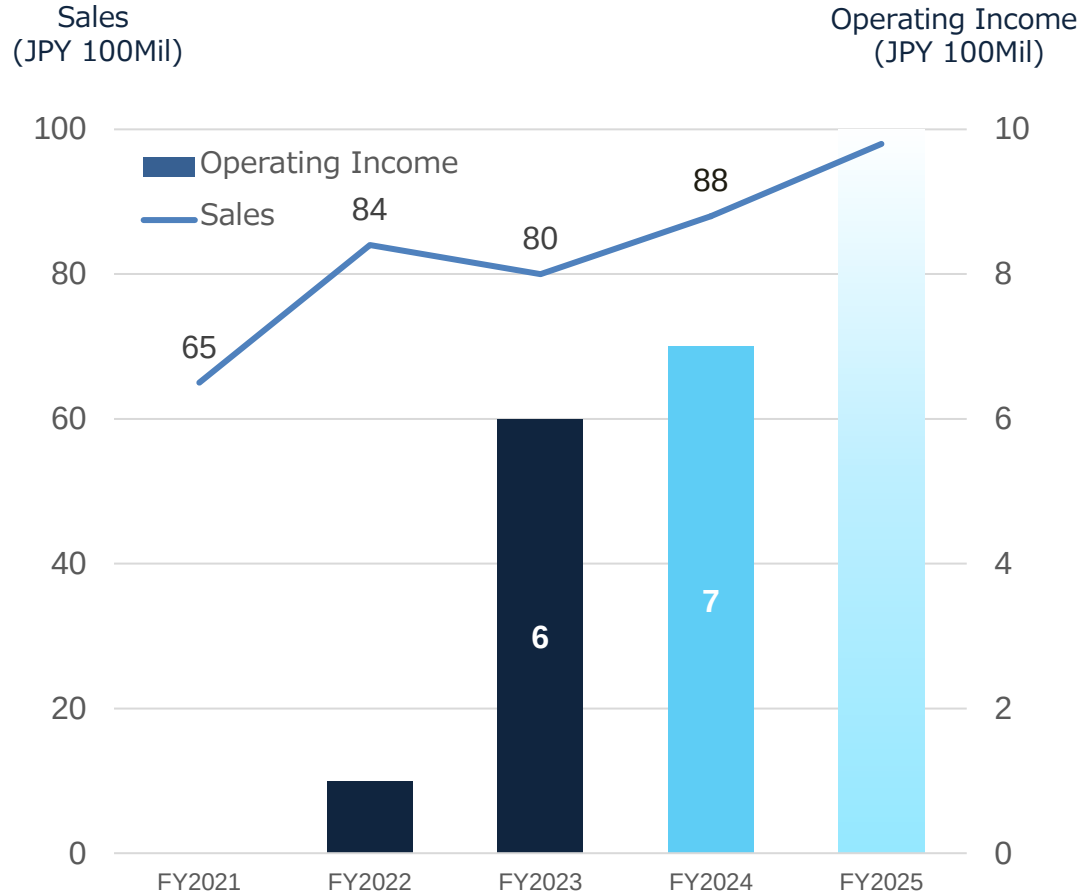


External power supply module (optional)



FY2030: Sales Target JPY 5 Billion

Sales & Profit Trends for Aerospace Business



Sales of seals for aircraft engines are increasing in both commercial and defense sectors.

Commercial Aircraft

- Participating in next-generation engine development in Europe
- Demand for products for large aircraft engines is also recovering, especially for small and medium-sized aircraft



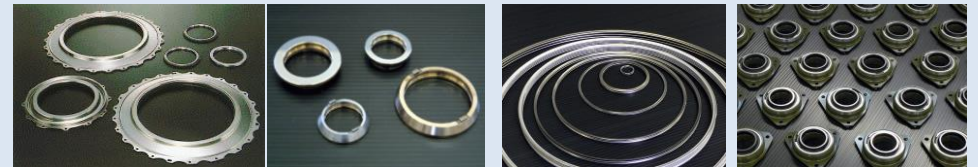
Defense Engine

- Following up on requests for increased production of defense-related items
- Working toward adoption for next-generation fighter jet engines



Image: Next-generation fighter jet

Source: Ministry of Defense website

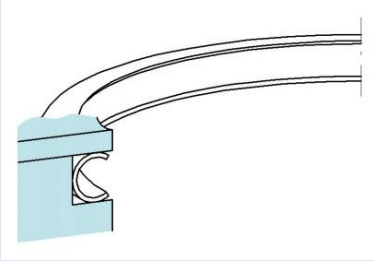


1. Space Project

- January 2024 SLIM (Small Lunar Imaging Module): SLIM onboard engine
- February 2024 Launch of H3 Launch Vehicle No. 2: LE-9 and LE-5B-3 engine turbopumps

→ Delivered mechanical seals, etc., to the above projects

Continued participation in development projects of turbopumps for domestic and foreign commercial rocket companies and other joint R&D activities



ACTISEAL-C (for SLIM)



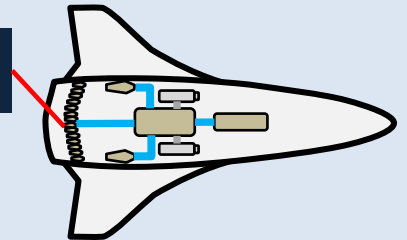
Mechanical Seals, Various Seals



2. Next-Generation Aircraft Development

- Development of aircraft and space vehicles using hydrogen fuel application technology
- Next generation electric propulsion system (electric motor) development

Superconducting motor



► Continue to provide our unique sealing system to the aerospace industry



Fly Sky High !