

# FY2022 Performance and Outlook by Segment

<p><b>Automotive and Construction Machinery Industries</b></p> <p>Share of net sales <b>54%</b></p> <p>Net sales <b>¥84,949</b> million</p> <p>Operating profit <b>¥379</b> million</p>	<p><b>FY2022 Performance</b></p> <p><b>Net sales increased but operating profit fell due to deteriorating profitability from factors such as soaring raw material prices and higher electricity rates, despite a boost from the weaker yen.</b></p> <p><b>Outlook</b></p> <p>For automotive products, the segment will continue mass production and sales expansion of products for EVs, an area of expansion, as well as new product development.</p> <p>The segment will lower its break-even point through further cost reductions and appropriate review of selling prices to secure earnings.</p>
<p><b>General Machinery Industry</b></p> <p>Share of net sales <b>21%</b></p> <p>Net sales <b>¥33,761</b> million</p> <p>Operating profit <b>¥3,619</b> million</p>	<p><b>FY2022 Performance</b></p> <p><b>Net sales and operating profit increased thanks to the recovery in customer production overseas.</b></p> <p><b>Outlook</b></p> <p>The segment is expected to continue its robust performance thanks to the resumption of capital investment resulting from increased global energy demand.</p> <p>The segment will work to propose products, technologies and services offering energy efficiency and helping to reduce CO<sub>2</sub> emissions in next-generation energy markets and existing facilities.</p>
<p><b>Semiconductor Industry</b></p> <p>Share of net sales <b>11%</b></p> <p>Net sales <b>¥16,702</b> million</p> <p>Operating profit <b>¥1,842</b> million</p>	<p><b>FY2022 Performance</b></p> <p><b>Net sales and operating profit increased thanks to new sales expansion, despite impact from postponed investments and other issues resulting from the slowdown in the semiconductor industry, particularly with regard to memory.</b></p> <p><b>Outlook</b></p> <p>Continued growth is expected in semiconductor demand with increasing data communication volumes due to 5G, IoT, practical application of AI, etc.</p> <p>The segment will continue to focus on expanding production and expanding sales to semiconductor production equipment makers, as well as new product development utilizing our product lineup.</p>
<p><b>Marine Industry</b></p> <p>Share of net sales <b>9%</b></p> <p>Net sales <b>¥13,553</b> million</p> <p>Operating profit <b>¥3,326</b> million</p>	<p><b>FY2022 Performance</b></p> <p><b>Net sales and operating profit increased thanks to continued strong newbuild market conditions and increased demand for repair parts in Europe.</b></p> <p><b>Outlook</b></p> <p>While after-sales service for existing deliveries is expected to decrease beginning in FY2023, new construction of LNG tankers and other vessels will increase amid rising global energy demand, and the segment will focus on new sales of our products.</p> <p>The segment will develop environmentally friendly products such as water-lubricated seal equipment for medium and large vessels.</p>
<p><b>Aerospace Industry</b></p> <p>Share of net sales <b>5%</b></p> <p>Net sales <b>¥8,413</b> million</p> <p>Operating profit <b>¥91</b> million</p>	<p><b>FY2022 Performance</b></p> <p><b>Net sales and operating profit increased mainly due to a rise in sales of products for aircraft.</b></p> <p><b>Outlook</b></p> <p>In products for aircraft, increased sales are expected for our products in the medium to long term due to the recovery of the commercial aircraft market.</p> <p>Aerospace development products will see trends toward greater activity in projects within this area, both in the public and private sectors.</p> <p>The segment will work to expand sales in areas where our technologies can contribute.</p>

## Individual Segments' Characteristics



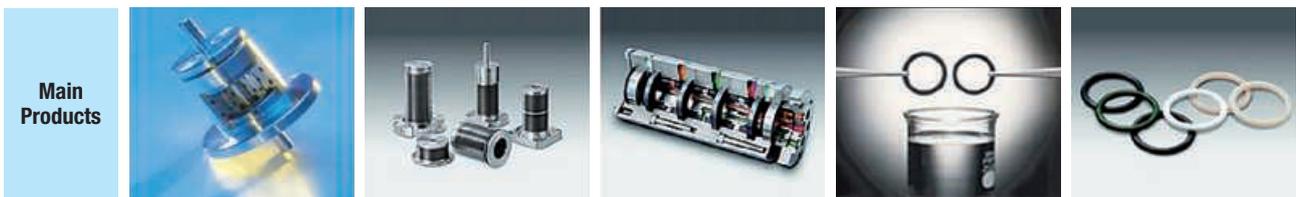
**Main Products**

Provides products, including mechanical and mechatronic products, for automobiles, motorcycles and construction machinery. Stably supplies products via a global production network, most notably including plants in Asia and Europe.



**Main Products**

Provides mechanical seals for pumps and compressors installed in a wide variety of plants. Has globally operated under the EagleBurgmann brand name since 2005 based on an operational alliance agreement with Germany's Burgmann Industries.



**Main Products**

Supplies magnetic fluid vacuum seals, bellows, rotary joints and high-functional O-rings used in semiconductor production equipment to semiconductor equipment makers globally.

Within the semiconductor industry, the EKK Group is the only company in the world capable of producing all types of seal products in-house.



**Main Products**

Provides an integrated suite of production services from R&D through maintenance, mainly for propeller seals.



**Main Products**

Provides various high-quality products, mostly for aircraft and rockets, that can withstand even high-temperature, high-pressure, high-RPM, high-vacuum, ultra-low-temperature and/or other such special environments.