



Although we face difficult times with even greater uncertainty, we will strive to correctly grasp changes and achieve our plans for FY2022.



Chairman of the Board and President, Representative Director Eagle Industry Co., Ltd.

Tetsuji Tsuru

FY2021 Business Environment and Operating Performance

In FY2021, ended March 31, 2022, global economic conditions continued to show undertones of recovery overall. This was thanks to eased quarantine measures as a result of greater vaccination against COVID-19, mostly in major countries, as well as to financial and economic stimulus policies.

However, the pace of this economic recovery was blunted due to downside factors such as the global shortage of semiconductors and stagnation in the supply chain caused by a resurgent COVID-19.

Furthermore, economic outlooks remain uncertain amid negative factors present in the immediate term, such as the shift in U.S. monetary policy, soaring resource prices due to the Russia-Ukraine conflict and restrictions on economic activity due to China's "zero-COVID policy."

In this operating environment, the Semiconductor Industry segment performed particularly well, with sales also increasing in other segments. All segments achieved year-on-year sales growth, partly thanks to the weaker yen.

As a result of such efforts, we earned operating income of ¥7,560 million, ordinary income of ¥10,811 million and in profit attributable to owners of the parent of ¥5,713 million (respectively, up 30.3%, 28.0% and 42.5% year on year) on net sales, which were up 7.9% to ¥140,842 million.

The Automotive and Construction Machinery Industries segment's sales exceeded the previous fiscal year's, resulting in net sales and operating income increasing year on year.

FY2021 Business Summary

Amid the ongoing COVID-19 pandemic, our businesses achieved growth in net sales and income thanks to resumption of economic activity in countries around the world.

Future Plans

Despite significant factors driving uncertainty, such as high prices of raw materials and supply chain disruptions, we will focus on developing new products and expanding their sales in anticipation of booming next-generation mobility and next-generation energy markets.

This was despite the segment falling short of our initial forecast beginning in the second quarter due to the global shortage of semiconductors and ongoing stagnation in parts supplies caused by a resurgent COVID-19, as well as global auto production cutbacks.

The General Machinery Industry segment's net sales and operating income increased year on year in Japan, India and the Asia-Pacific region, where we control the business under the EagleBurgmann alliance. This increase was thanks to plant re-openings as a result of the economic recovery, and in comparison to the previous fiscal year where the spread of COVID-19 had driven lockdown restrictions and customer production cutbacks, etc.

The Semiconductor Industry segment's net sales and operating income once again grew year on year, with ongoing high levels of investment appetite as a result of growing semiconductor demand.

The Marine Industry segment grew its net sales and operating income due to recovery of the newbuild market in China and South Korea as well as providing after-sales services during FY2021 when it was unable to due to the COVID-19 pandemic during the previous fiscal year, mostly in Europe and Southeast Asia.

The Aerospace Industry segment's net sales and operating income increased year on year thanks to product composition, although sales were at the same level as the previous fiscal year.

The EKK Group's Business Environment and Future Course

In FY2021, as in the previous fiscal year, the global COVID-19 pandemic continued. However, greater vaccination against the virus in major countries and various economic stimulus policies helped to achieve both infection prevention and economic recovery, and our businesses achieved growth in net sales and income.

Despite this, the business climate during the fiscal year under review has become even more uncertain due to the prolonged conflict between Russia and Ukraine and lockdowns in China, in addition to unstable supplies and high prices of raw materials, as well as ongoing supply chain disruptions. We will work to achieve our forecasts for FY2022 and formulate a new medium-term management plan to be launched in FY2023.

In the automobile market, which is a major market for the Group, the shift from conventional internal combustion engine vehicles to EVs is accelerating, and we expect greater needs ahead for related products and technologies. In addition, there has been advancement in R&D for electrification in the construction machinery, marine, and aircraft industries, and the next-generation energy market is also moving toward practical application. We will continue to develop and expand sales of proprietary next-generation technologies and products that contribute to environmental preservation and energy efficiency, growing the EKK Group over the medium to long term.

FY2021 Earnings Highlights

