

# Explanatory Meeting on Mid-term Account Settlement for the Term ended November 2012

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July 10, 2012

**NACHI** Fujikoshi Corp.

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# Results of first half year and Plan for full year of 2012

General overview of business performance

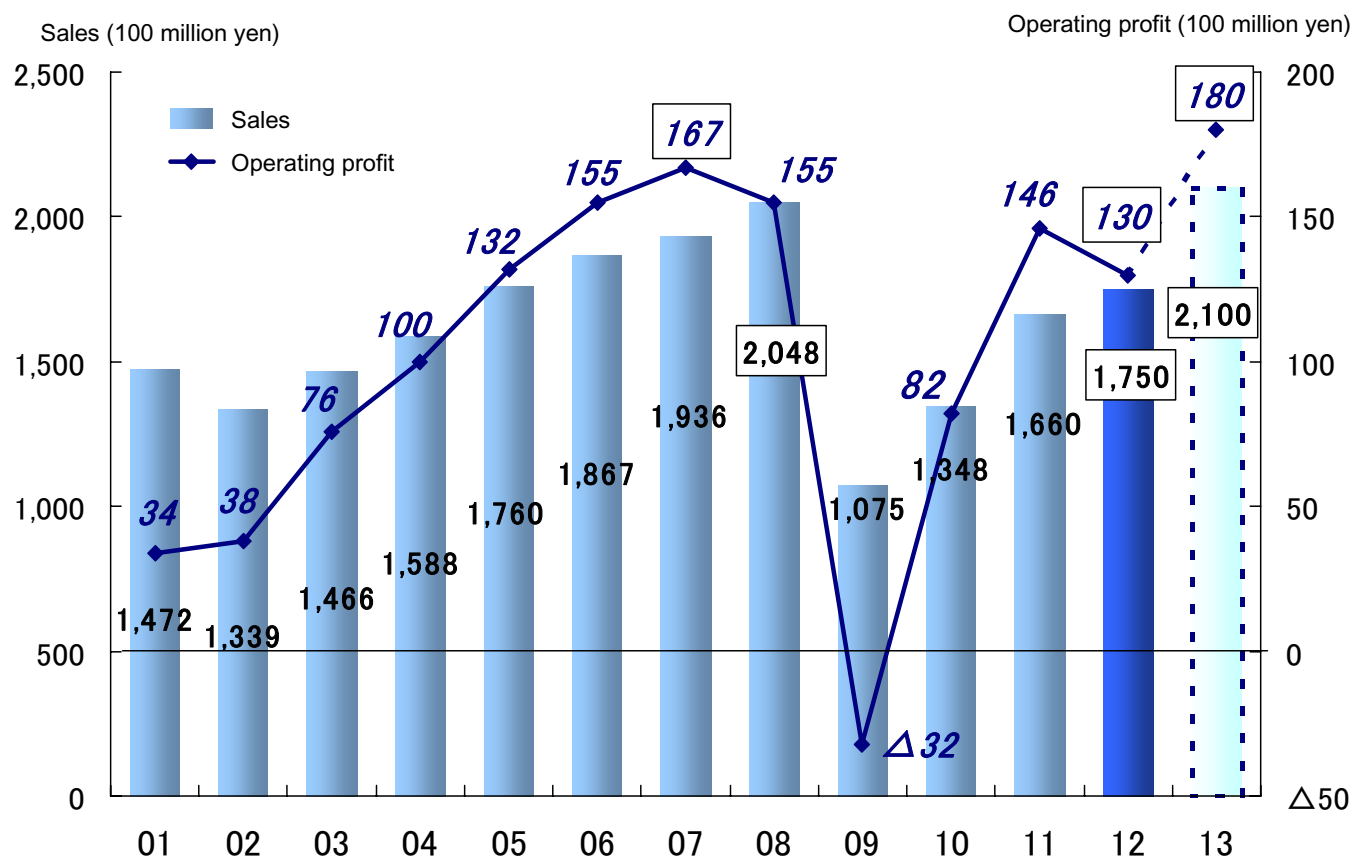
(in 100 million yen)

	Fiscal 2011		Fiscal 2012	
	First half year	Full year	First half year	Full year
<i>(Rate of increase)</i>			<i>(+7.9%)</i>	<i>(+5.4%)</i>
Sales	789	1,660	851	1,750
Operating profit (Ratio)	(9.1%) 71	(8.8%) 146	(7.0%) 59	(7.4%) 130
Current profit (Ratio)	(8.0%) 63	(7.8%) 129	(6.0%) 50	(6.5%) 114
Net profit of the term	51	100	26	63

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# Transition of performance and Medium-term business objective

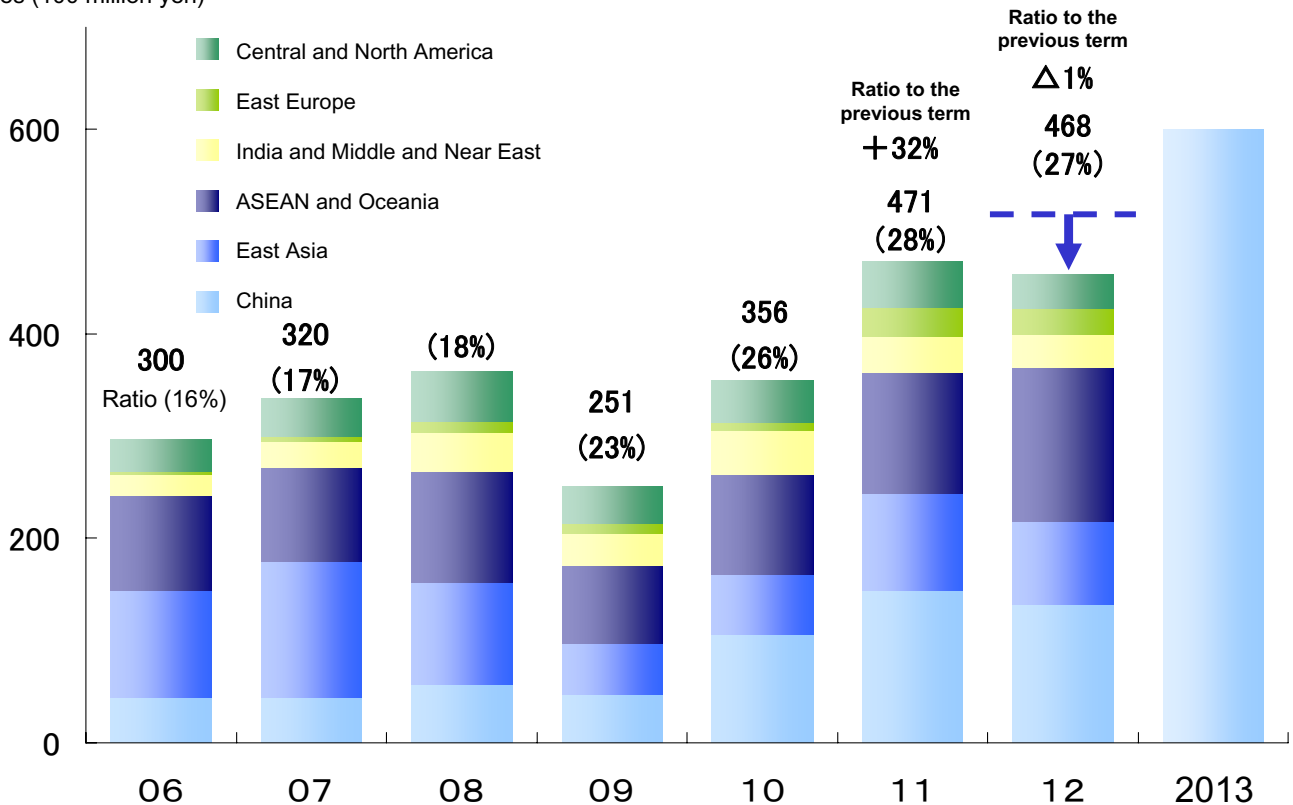
General overview of business performance



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## ○ Transition of sales to emerging countries

Sales (100 million yen)



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## Upgrading and expanding business bases in the emerging countries markets

### (1) Chinese market

Newly construct a core production base in China

Nachi (Jiangsu) Industries Co., Ltd.

To be completed and start production in January 2013

Product line: Hydraulic equipment for construction and industrial machinery, CCV, small cutting tools, etc.



### (2) Indian market

Newly construct our third plant in India

Nachi KG Technology India

To be completed in March 2013; Start production in July 2013

Product line: Bearings for automobiles and industrial machinery



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## Upgrade and expand assortment and lineup of fast-moving goods

### (1) Super-high speed robot “SRA Series”

Expand the series → Cover the full welding  
line



### (2) Round tools

Expand high-performance flat drills lineup function



### (3) Hydraulic equipment for construction machinery

Jumboize units to target the emerging  
countries market



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# Outline of Fiscal 2012 Mid-term Account Settlement

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## Overview of fiscal 2012 mid-term account settlement

2012 Mid-term

(in 100 million yen)

	Fiscal 2011 First half year (A)		Fiscal 2012 First half year (B)		Increase/Decrease (percentage) (B) – (A)	
Sales	789		851		(+7.9%)	+62
Operating profit	(9.1%)	71	(7.0%)	59	(Δ17.1%)	Δ12
Current profit	(8.0%)	63	(6.0%)	50	(Δ19.8%)	Δ12
Extraordinary profit	0		0			Δ0
Extraordinary loss	1		0			Δ1
Net profit of the term	51		26		(Δ48.5%)	Δ24

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## B/S & Management index

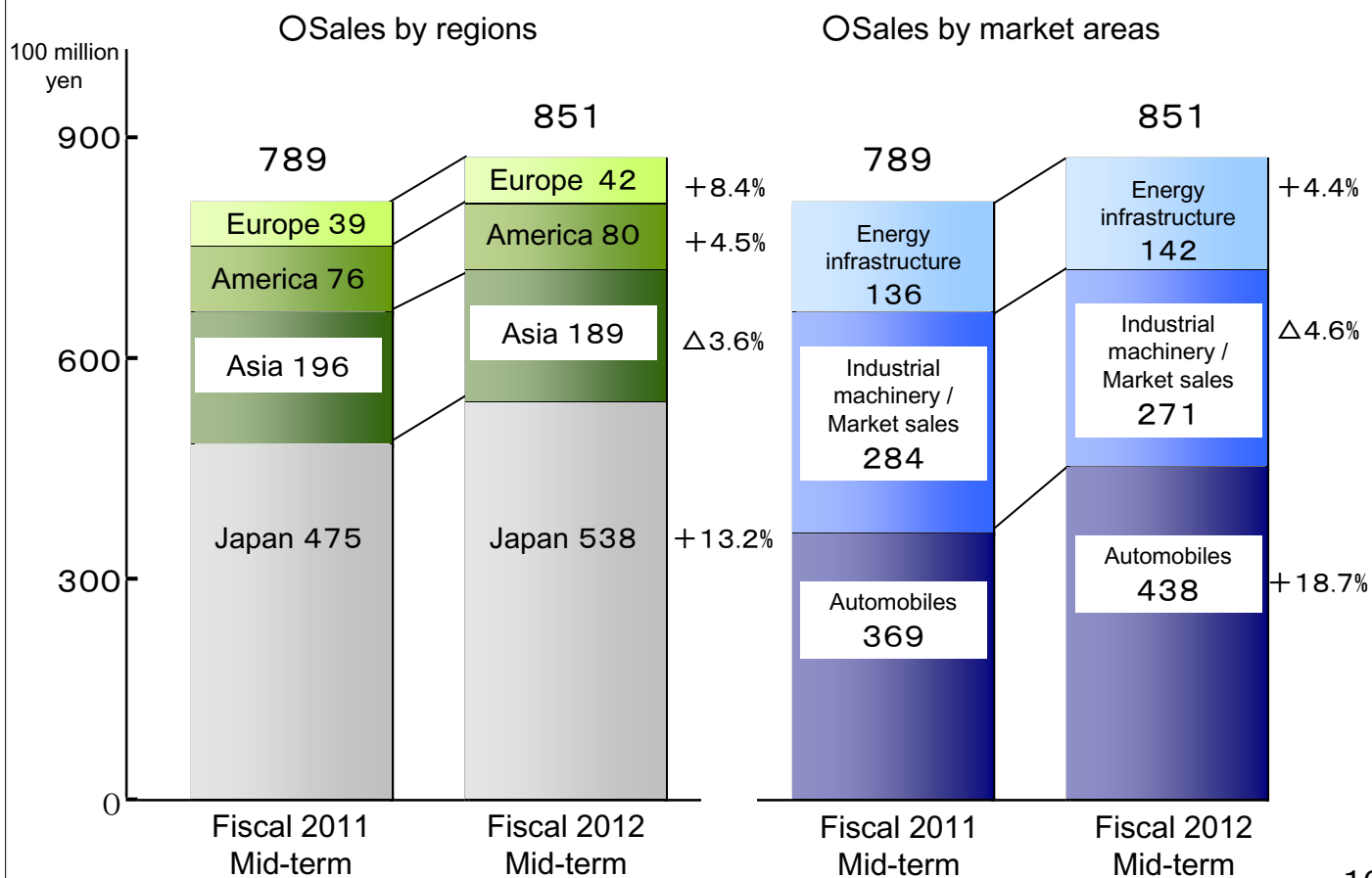
2012 Mid-term

(in 100 million yen)

	Fiscal 2011 First half year (A)		Fiscal 2012 First half year (B)		Increase/Decrease (percentage) (B) – (A)	
Collective assets	1,813		1,971		+158	
Accounting capital (Capital-to-assets ratio)	(31.2%)	56 6	(31.0%)	612	+45	
Interest-bearing liabilities (Net D/E ratio)	(0.8 fold)	65 2	(0.8 fold)	735	+83	
Capacity investment	52		59		+6	
Allowance for depreciation	46		49		+3	
Number of employees and officers	5,601		5,834		+233	
Foreign exchange rates (US dollar) (Euro)	82 yen 112 yen		78 yen 104 yen		Yen value increased by 4 yen per dollar Yen value increased by 8 yen per Euro	

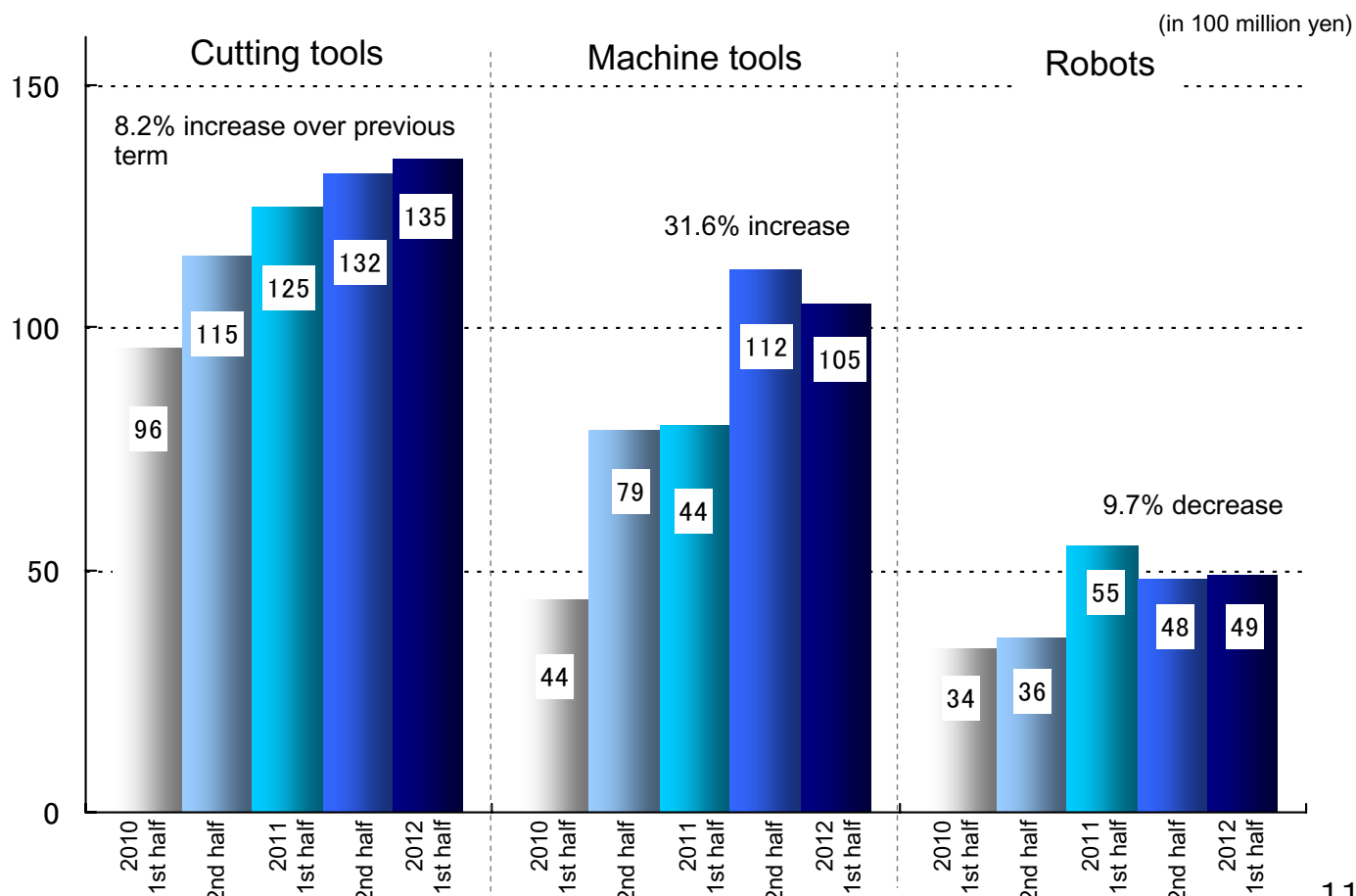
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# Sales by regions and market areas 2012 Mid-term



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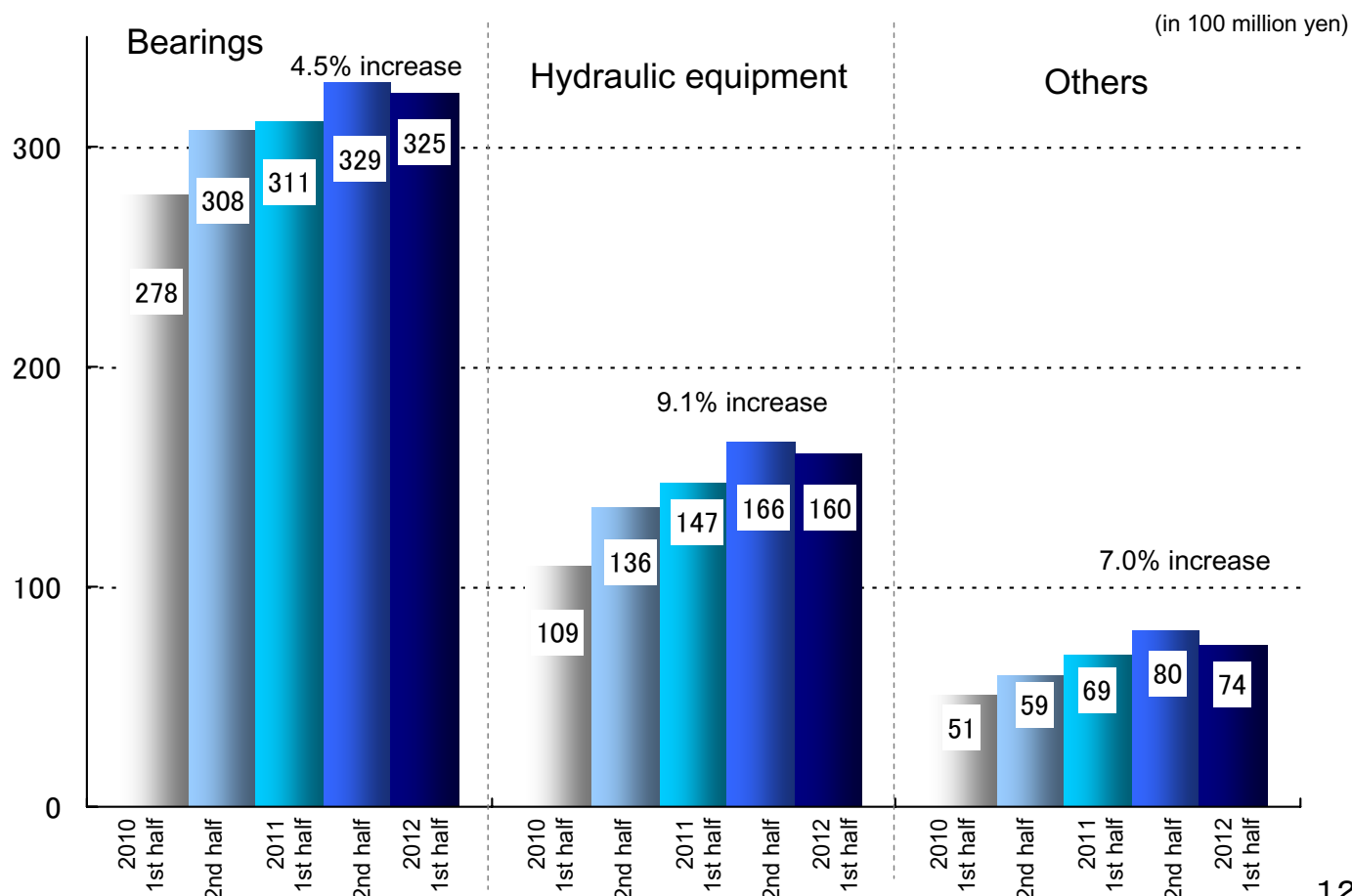
# Sales by business categories (Machinery and tools) 2012 Mid-term



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## Sales by business categories (Parts, materials, etc.)

2012 Mid-term



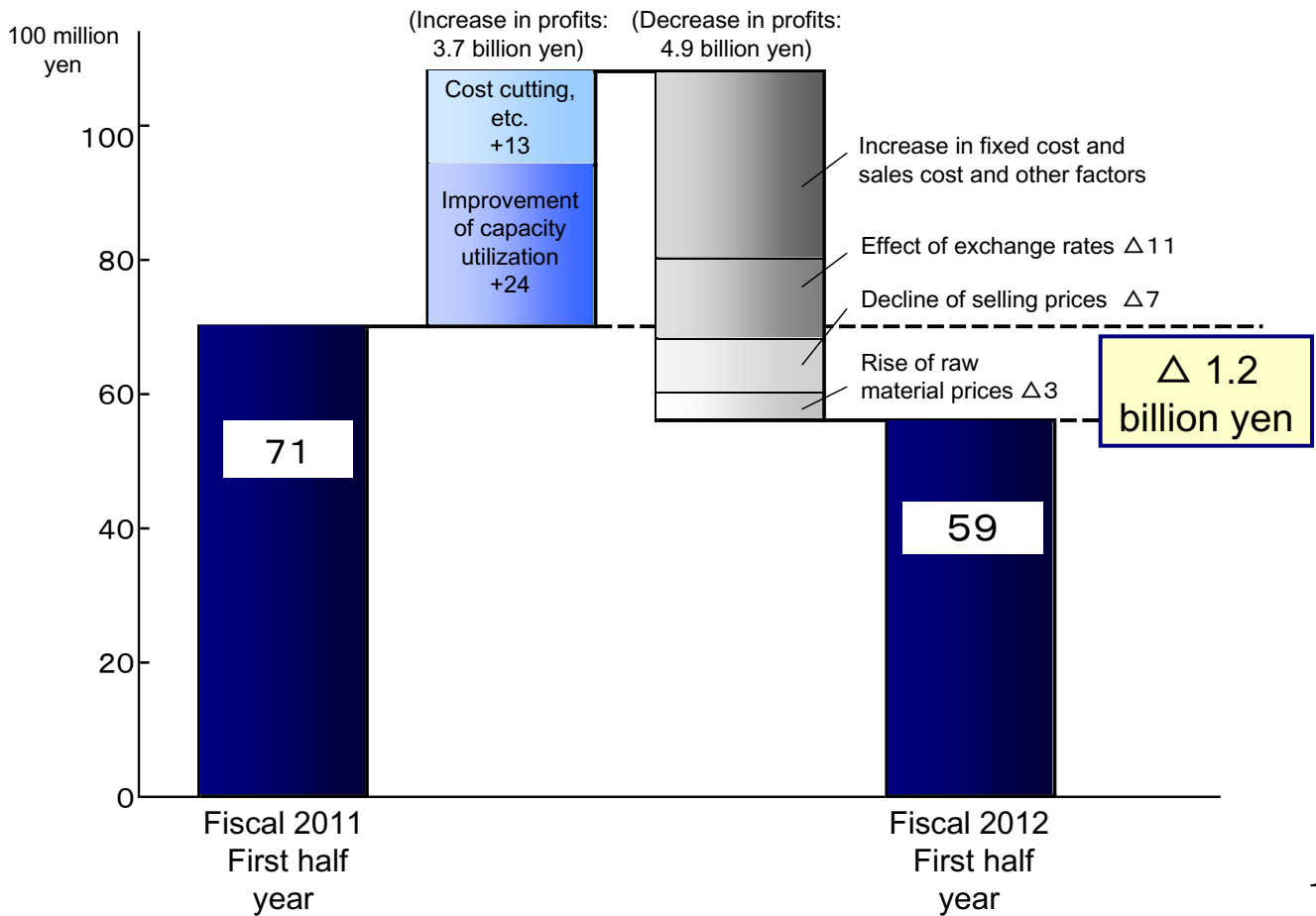
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## Sales and operating profits by business segments

2012 Mid-term  
(in 100 million yen)

	Fiscal 2011 First half year (A)	Fiscal 2012 First half year (B)	Increase/Decrease (%) (B) - (A)
<b>Machinery and Cutting Tools business</b>			
Sales	260	290	(+11.6%) +30
Operating profit	(8.0%) 20	(9.2%) 26	(+29.5%) +6
<b>Parts business</b>			
Sales	459	486	(+6.0%) +27
Operating profit	(8.9%) 41	(4.4%) 21	(Δ48.4%) Δ19
<b>Materials, etc.</b>			
Sales	69	74	(+7.0%) +4
Operating profit	(14.2%) 9	(15.0%) 11	(+12.9%) +1
<b>Total sales</b>	<b>789</b>	<b>851</b>	<b>(+7.9%) +62</b>
<b>Total operating profits</b>	<b>(9.1%) 71</b>	<b>(7.0%) 59</b>	<b>(Δ17.1%) Δ12</b>

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## Forecast for Full Fiscal Year of 2012



# Plan for fiscal 2012 (Review)

Plan for full year

(in 100 million yen)

	Fiscal 2011 Results (A)		Fiscal 2012 Results (B)		Increase/Decrease (percentage) (B) – (A)	
Sales		1,660		1,750	(+5.4%)	+89
Operating profits	(8.8%)	146	(7.4%)	130	(Δ11.2%)	Δ16
Current profit	(7.8%)	129	(6.5%)	114	(Δ11.7%)	Δ15
Extraordinary profit		0		0		Δ0
Extraordinary loss		7		0		Δ7
Net profit of the term		100		63	(Δ37.1%)	Δ37

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# Financial data

Plan for full year

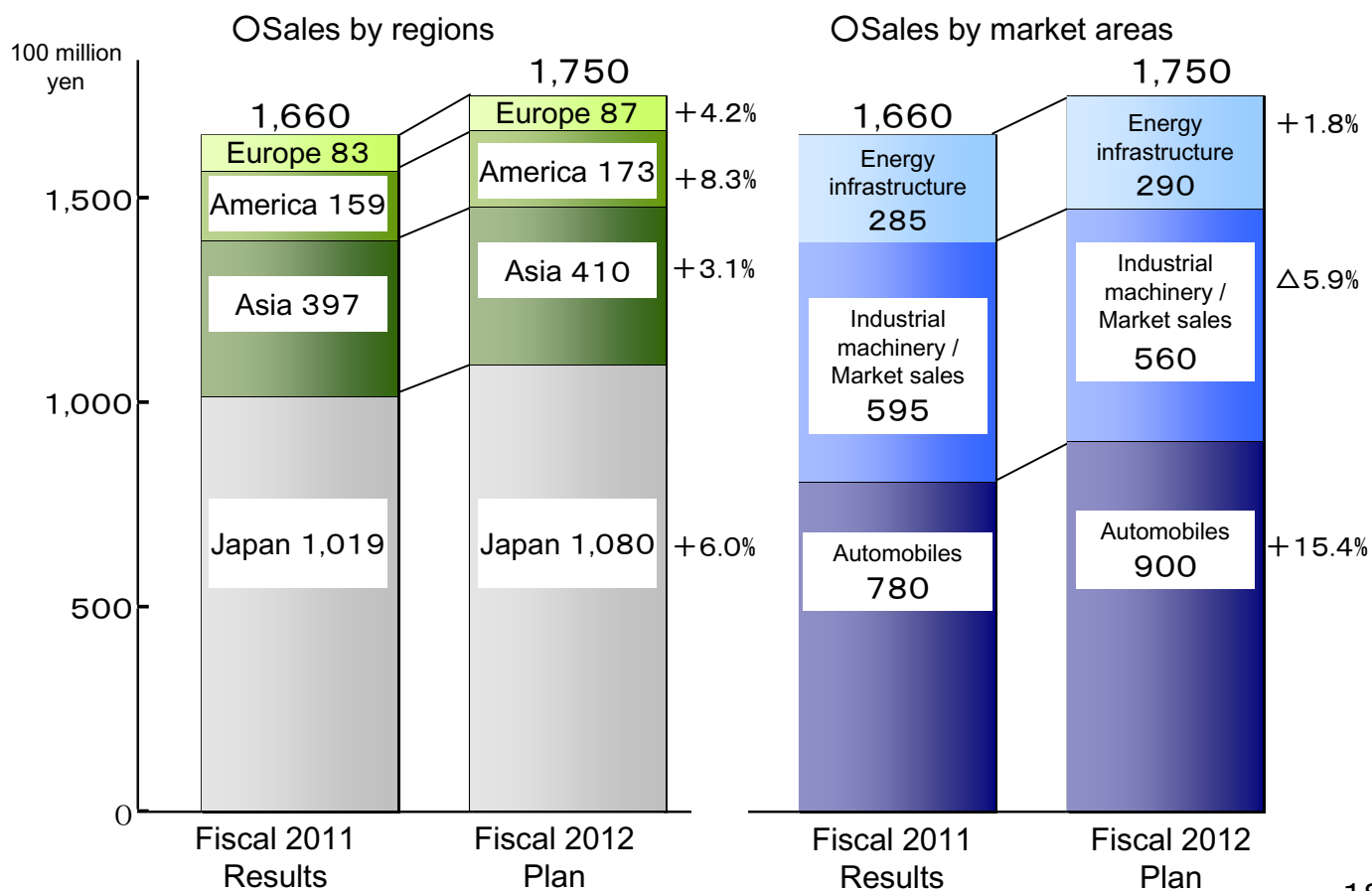
(in 100 million yen)

	Fiscal 2011 Results (A)		Fiscal 2012 Plan (B)		Increase/Decrease (percentage) (B) – (A)	
Collective assets		1,797		1,960		+162
Accounting capital (Capital-to-assets ratio)	(32.4%)	581	(33.1%)	649		+67
Interest-bearing liabilities (Net D/E ratio)	(0.7 fold)	557	(0.7 fold)	650		+92
Capacity investment		101		150		+48
Allowance for depreciation		95		100		+5
Number of employees and officers		5,645		5,850		+205
Foreign exchange rates (US dollar)		81 yen		78 yen	Yen value increased by 3 yen per dollar	
(Euro)		112 yen		105 yen	Yen value increased by 7 yen per Euro	

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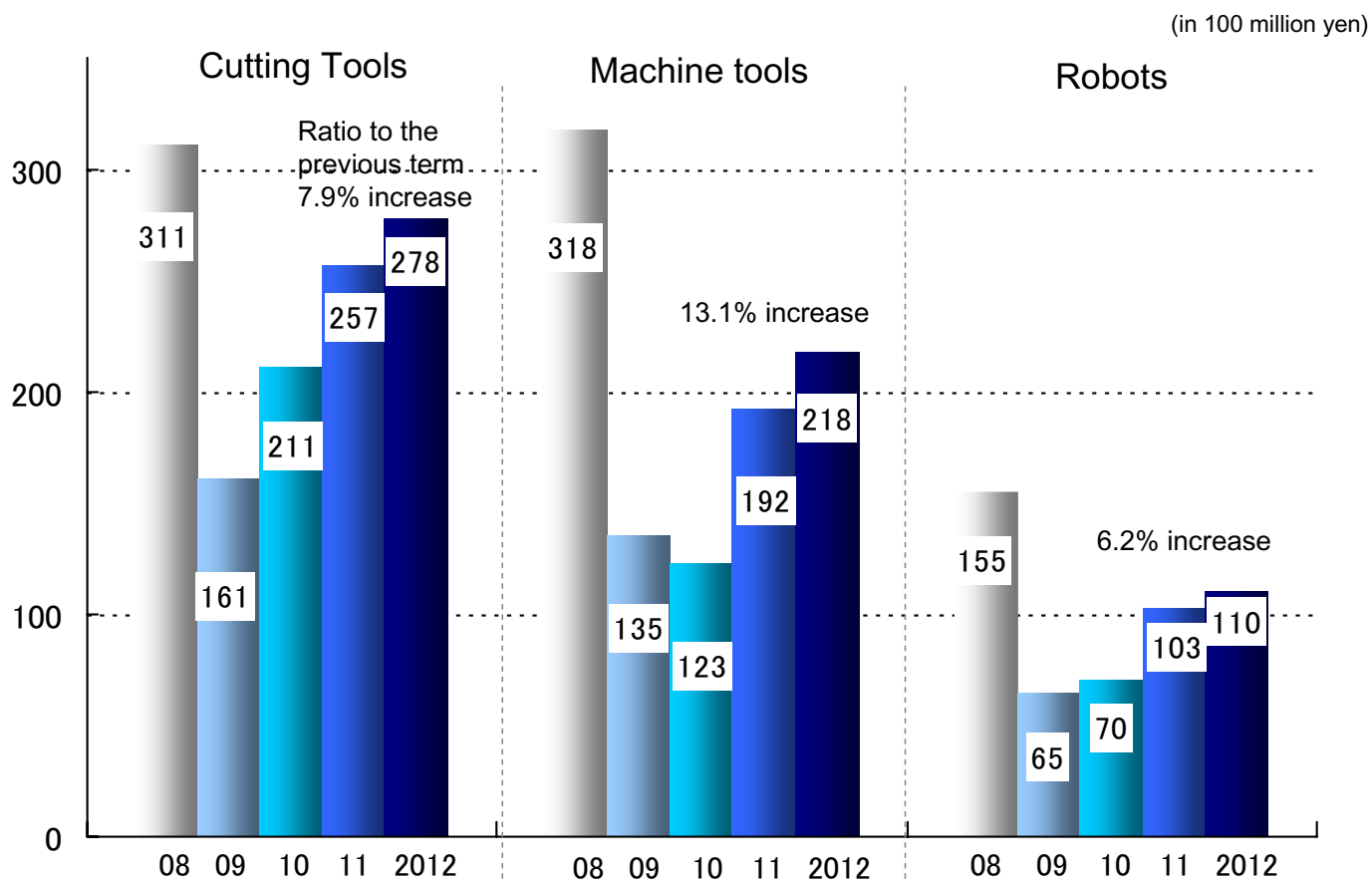
# Sales by regions and market areas

Plan for full year



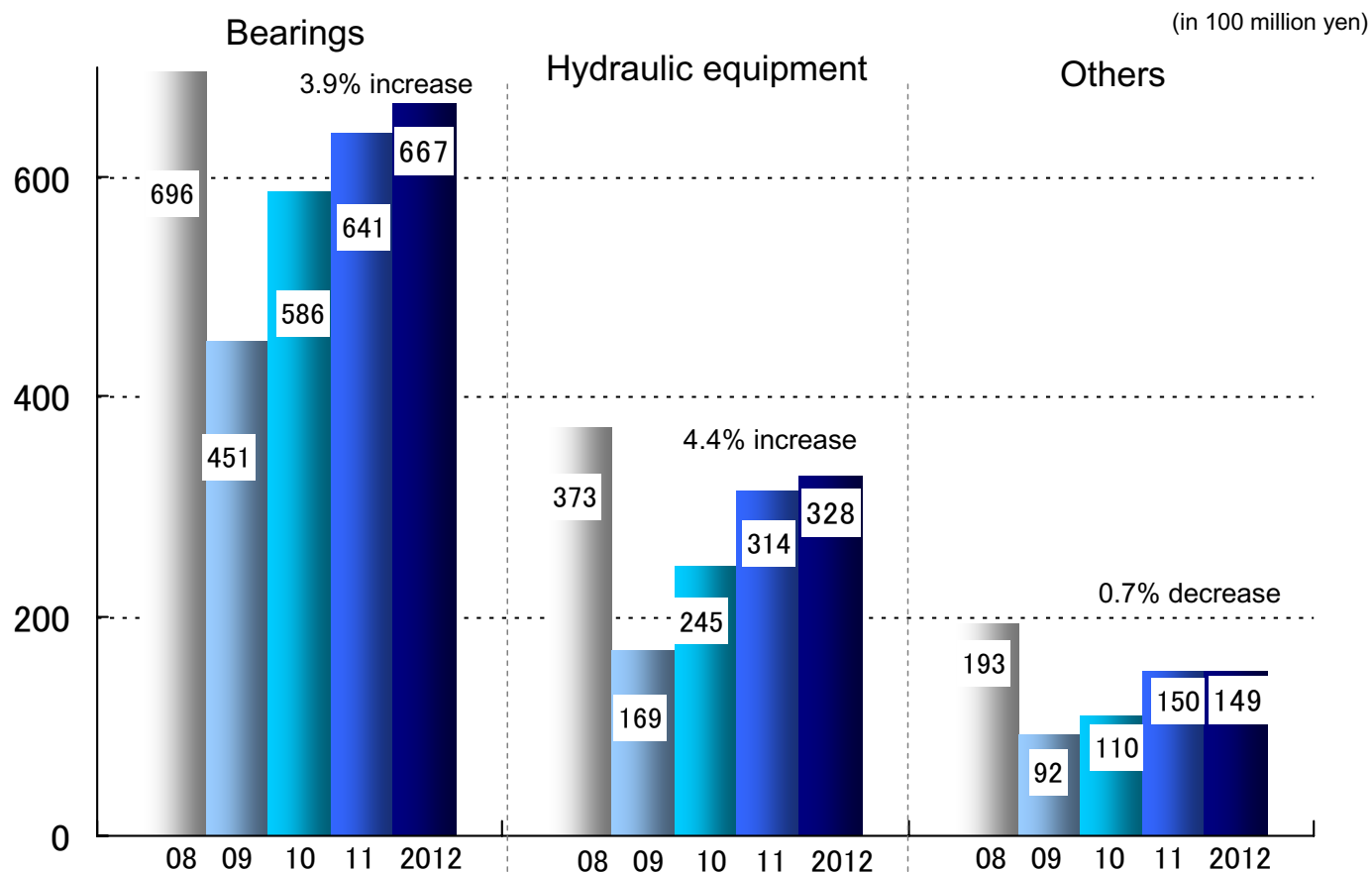
# Sales by business categories (Machinery and tools)

Plan for full year



# Sales by business categories (Parts, materials, etc.)

Plan for full year



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# Sales and operating profits by business segment

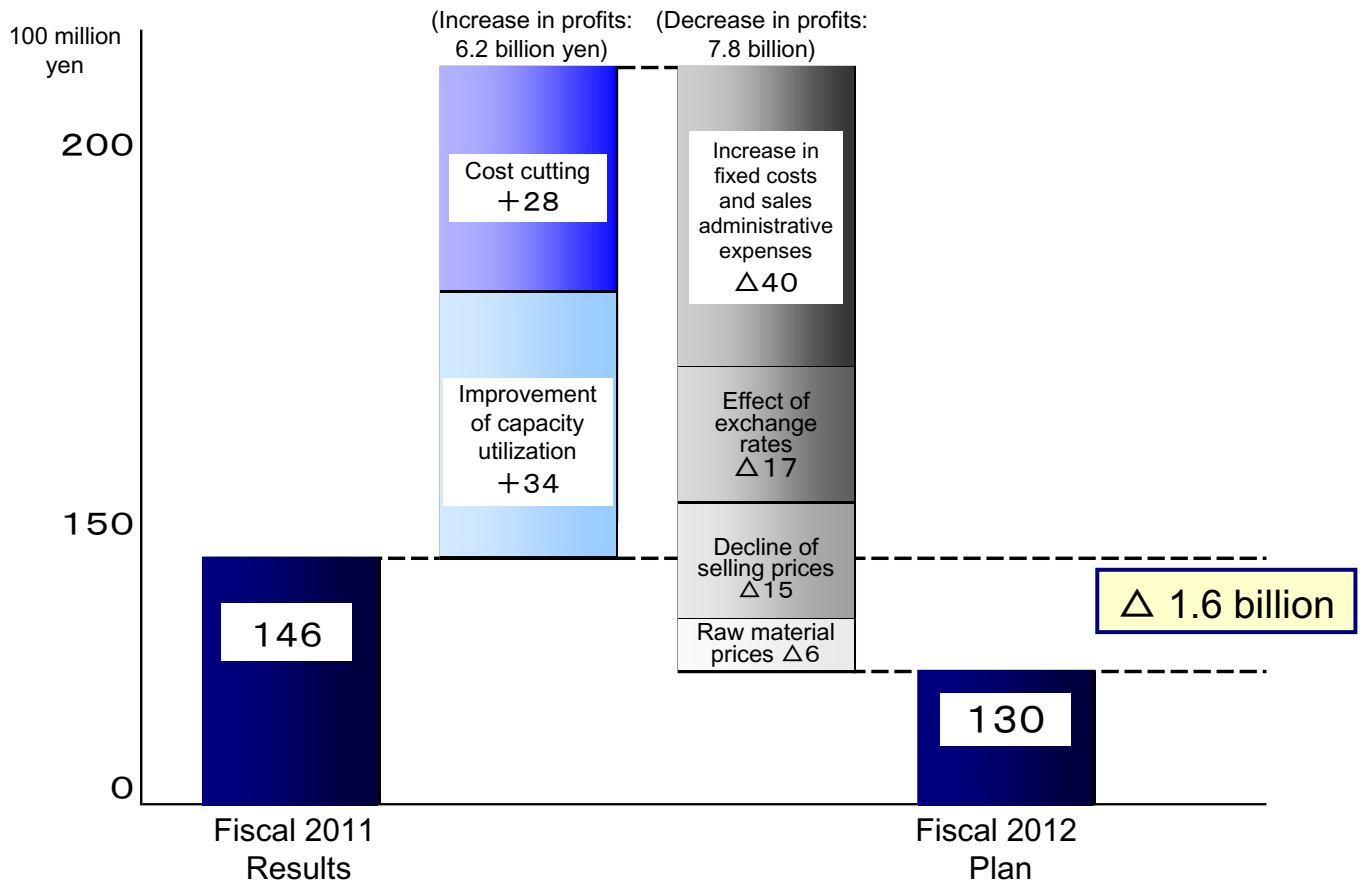
Plan for full year

(in 100 million yen)

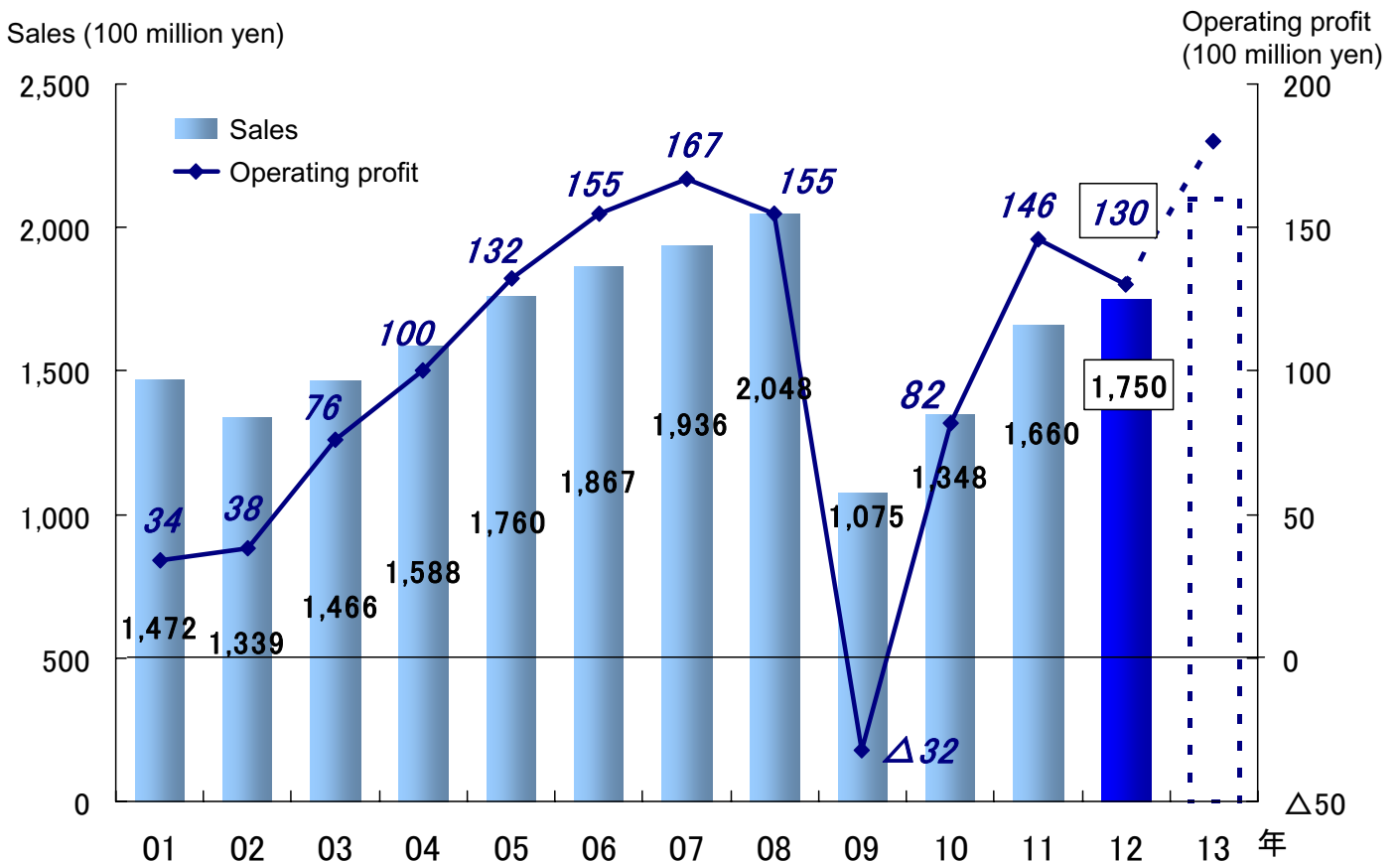
	Fiscal 2011 Results (A)	Fiscal 2012 Plan (B)	Increase/Decrease (%) (B)–(A)
<b>Machinery and Cutting Tools business</b>			
Sales	554	606	(+9.3%) +51
Operating profit	(8.1%) 44	(9.7%) 59	(+31.3%) +14
<b>Parts business</b>			
Sales	956	995	(+4.1%) +38
Operating profit	(8.3%) 79	(4.8%) 48	(Δ39.3%) Δ31
<b>Other businesses</b>			
Sales	150	149	(Δ0.7%) Δ1
Operating profit	(15.0%) 22	(15.4%) 23	(+2.5%) +0
<b>Total sales</b>	1,660	1,750	(+5.4%) +89
<b>Total operating profits</b>	(8.8%) 146	(7.4%) 130	(Δ11.2%) Δ16

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# Factor for increase/decrease in operating profits Plan for full year



# Aiming at the Medium-term business objective Plan for full year



# NACHI

<http://www.nachi-fujikoshi.co.jp/>

The future business prospects, business plans and other matters described in this document have been worked out based on certain assumptions including the current economic environment, business policy and other factors. Please understand, therefore, that the actual business performance can be different from this prospective performance due to various factors including fluctuations in demands and exchanges.