

# Business Results

## for the 1st Half of FY2018

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July 18, 2018

**NACHI** 株式会社 不二越

### Outline

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Overview of the Business Results for the 1 <sup>st</sup> Half of FY2018	2 ~ 5
Business Forecast for FY2018	6 ~ 9
Management Strategy	10 ~ 14

## Consolidated Financial Highlights

FY2018 1<sup>st</sup> half

(Billion yen)

	FY2017 1 <sup>st</sup> half (A)		FY2018 1 <sup>st</sup> half (B)		Increase/ Decrease (B) – (A)
Net sales	114.4		124.6		(+8.9%) +10.1
Operating Income	(6.7%)	7.7	(6.5%)	8.1	(+5.1%) +0.3
Ordinary Income	(5.9%)	6.7	(5.7%)	7.0	(+4.1%) +0.2
Net Income	4.6		4.4		(-3.3%) -0.1
Exchange rate	113 yen		109 yen		4 yen appreciation
(USD)	121 yen		132 yen		11 yen depreciation
(Euro)	16.4 yen		17.1 yen		0.7 yen depreciation
(RMB)					

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## Consolidated Financial Data

FY2018 1<sup>st</sup> half

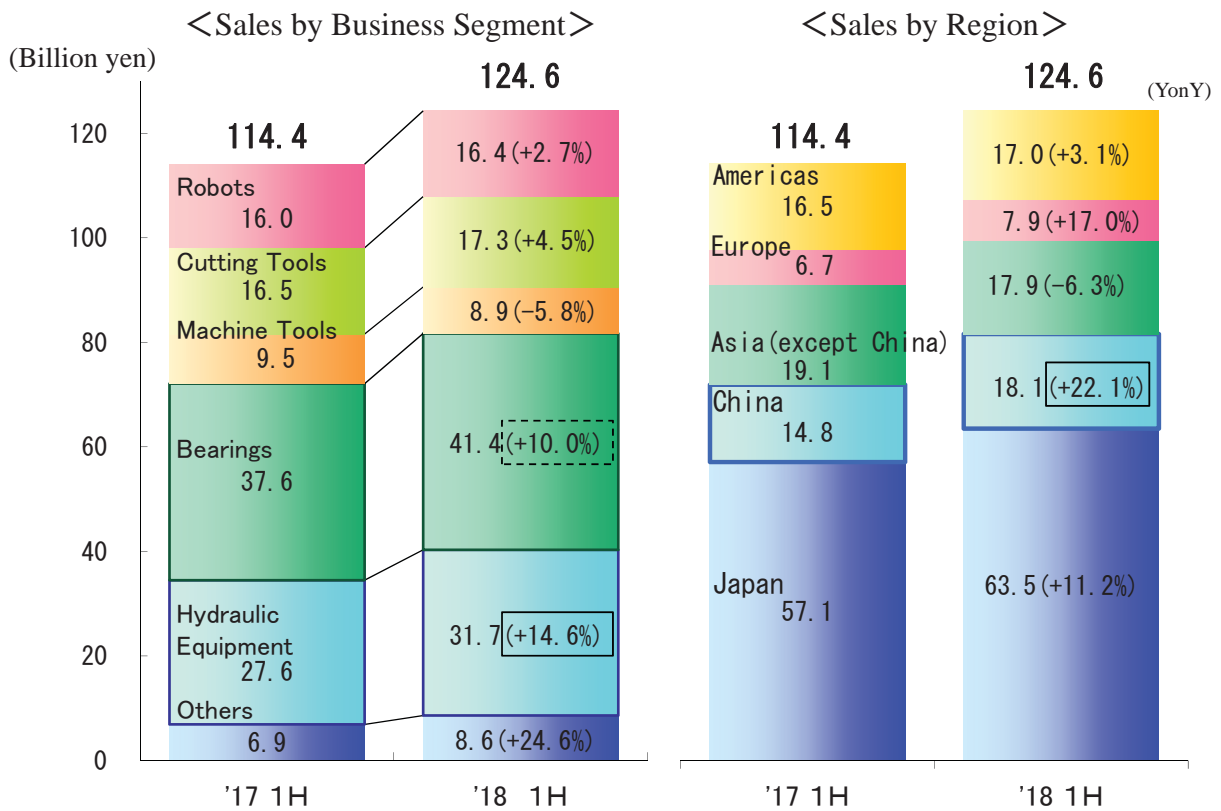
(Billion yen)

	FY2017 1 <sup>st</sup> half (A)		FY2018 1 <sup>st</sup> half (B)		Increase/ Decrease (B) – (A)
ROE	9.3%		8.3%		-1.0pt
Total Assets	274.6		297.7		+23.0
Stockholder's Equity (Stockholder's Equity Ratio)	(37.0%)	101.4	(37.7%)	112.3	+10.8
Interest-bearing Debt (Net D/E Ratio)	(×0.6)	81.3	(×0.5)	88.2	+6.9
Capacity Investment	10.0		7.4		-2.5
Depreciation and Amortization	7.2		7.7		+0.5
Number of Employees (people)	7,009		7,433		+424

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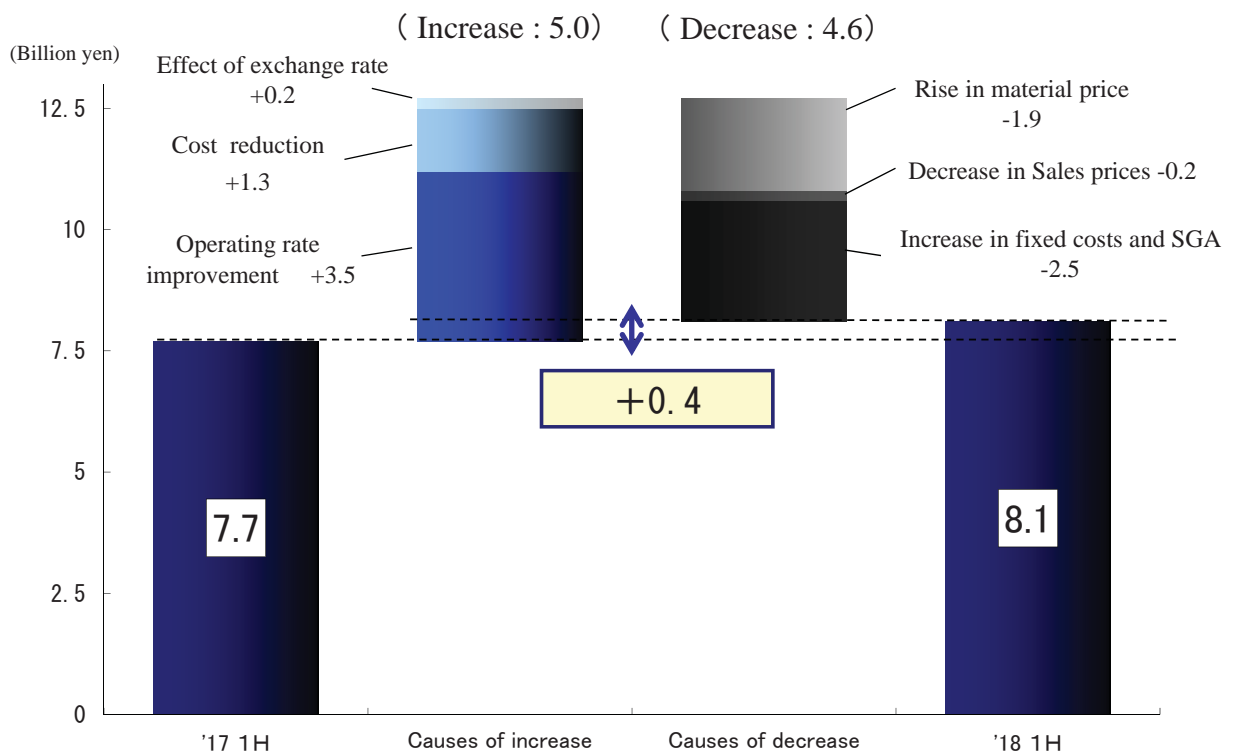
# Sales by Business Segment and Region

FY2018 1<sup>st</sup> half



# Causes of Changes in Operating Income

FY2018 1<sup>st</sup> half



## Consolidated Financial Highlights (FY2018 Plan)

**FY2018 e**

(Billion yen)

	FY2017 (A)	FY2018 Plan (B)	Increase/ Decrease (B) – (A)
Net sales	237.4	250.0	(+5.3%) +12.5
Operating Income	(6.8%) 16.1	(7.2%) 18.0	(+11.6%) +1.8
Ordinary Income	(6.2%) 14.6	(6.6%) 16.5	(+12.3%) +1.8
Net Income	9.7	11.0	(+12.8%) +1.2
Exchange rate (USD) (Euro) (RMB)	112 yen 125 yen 16.5 yen	109 yen 128 yen 16.8 yen	3 yen appreciation 3 yen depreciation 0.3 yen depreciation

※There is no revision of the financial result forecast announced on January 11, 2018.

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## Consolidated Financial Data

**FY2018 e**

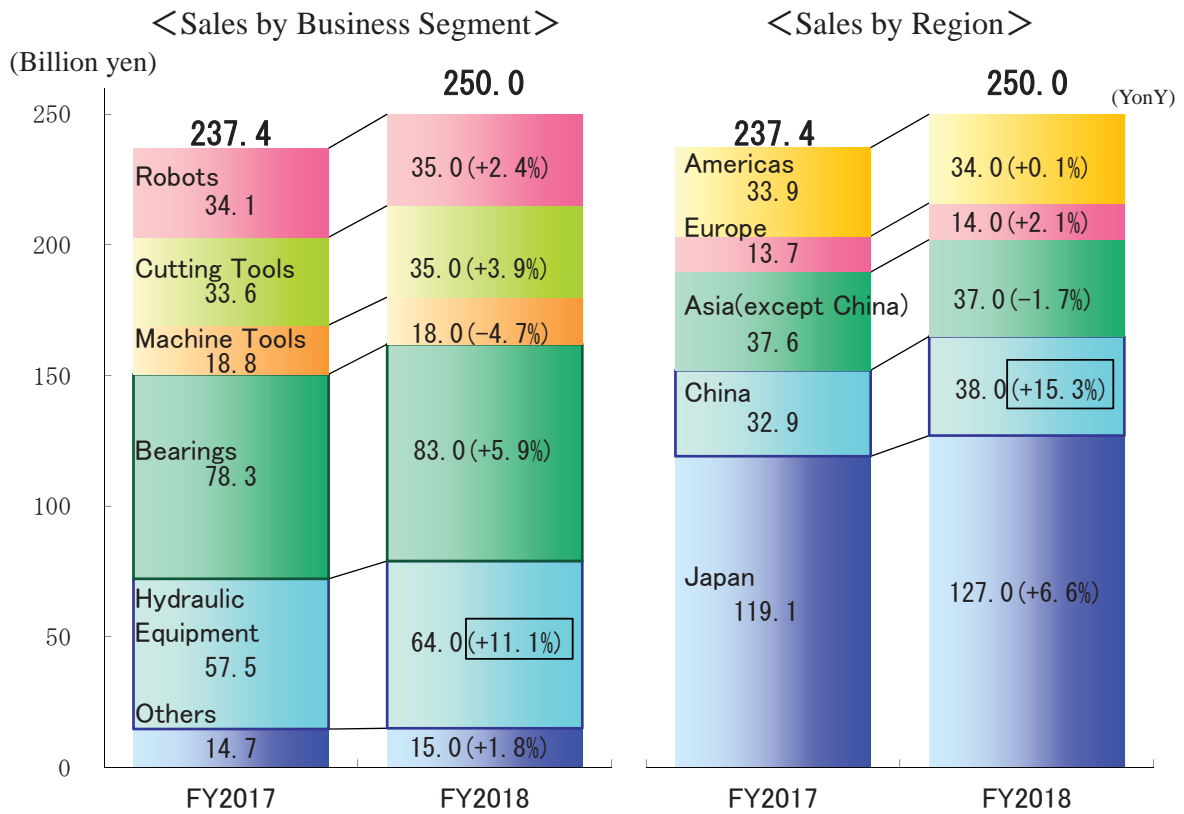
(Billion yen)

	FY2017 (A)	FY2018 Plan (B)	Increase/ Decrease (B) – (A)
ROE	9.2%	9.5%	+0.3pt
Total Assets	299.1	303.2	+4.0
Stockholder's Equity (Stockholder's Equity Ratio)	(37.7%) 112.8	(39.1%) 118.5	+5.6
Interest-bearing Debt (Net D/E Ratio)	(×0.5) 83.4	(×0.5) 87.0	+3.5
Capacity Investment	18.7	18.0	-0.7
Depreciation and Amortization	14.8	16.0	+1.1
Number of Employees (people)	7,202	7,500	+298

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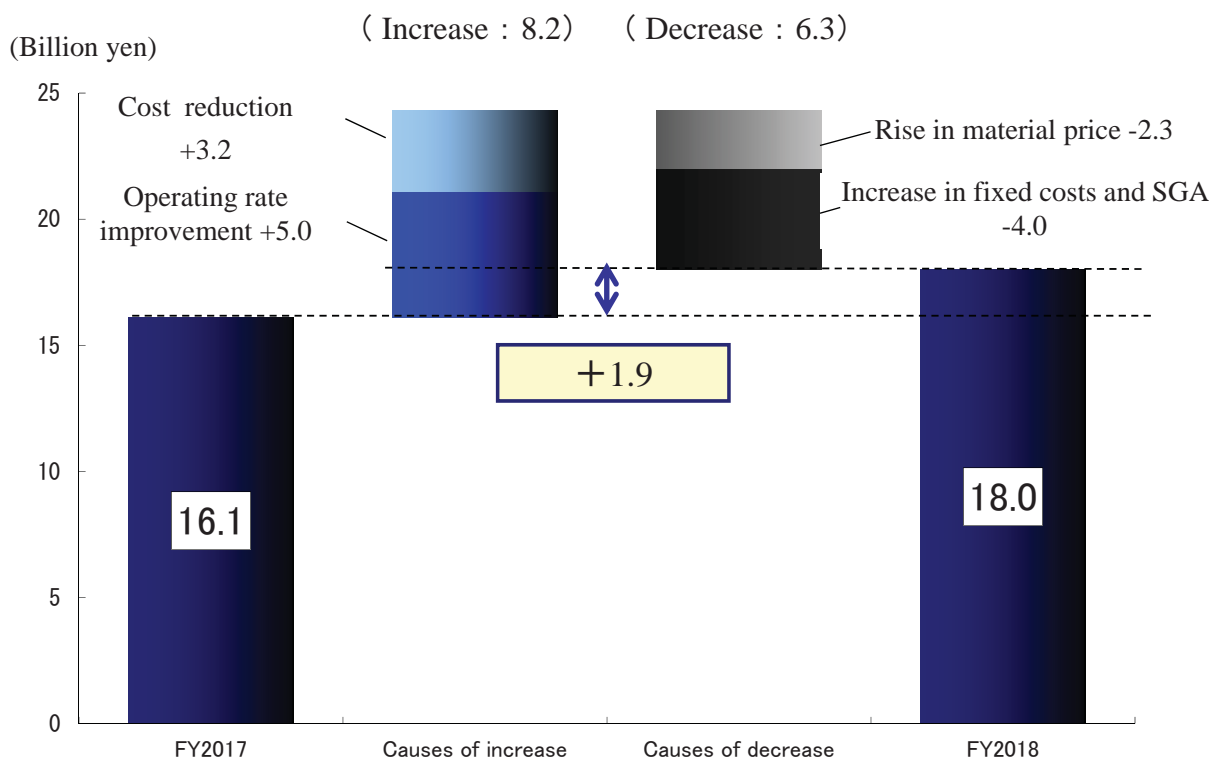
# Sales by Business Segment and Region

FY2018 e



# Causes of Changes in Operating Income

FY2018 e

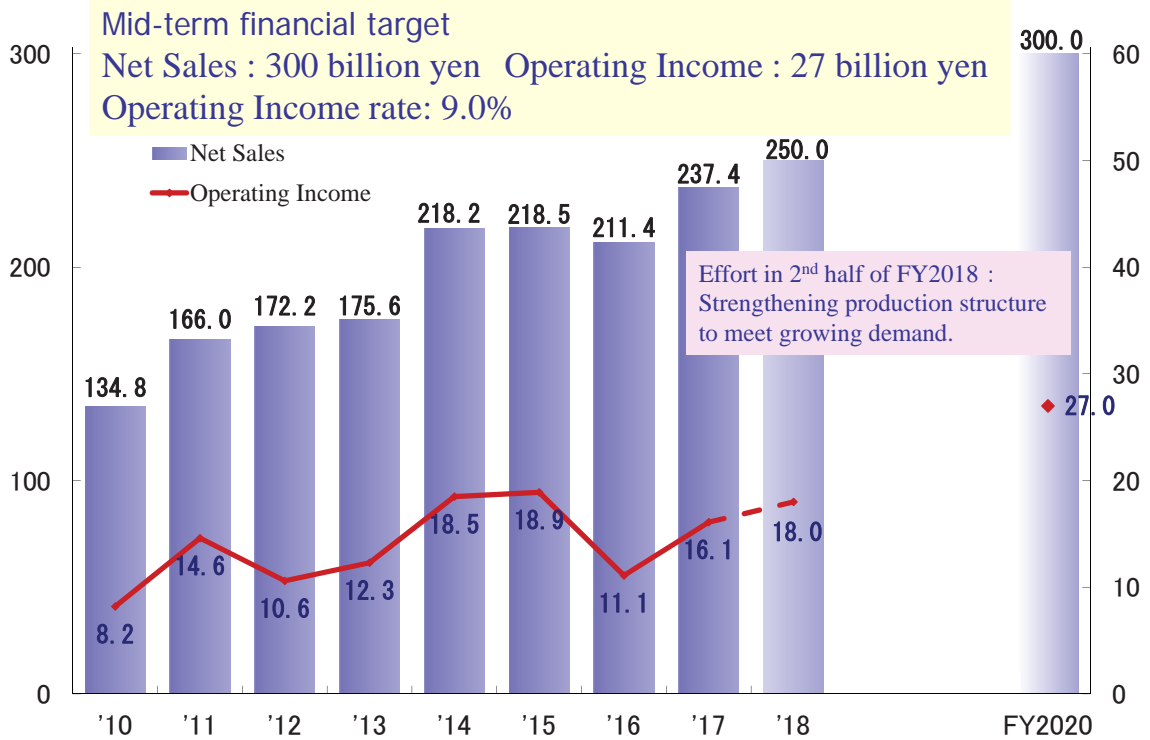


# Business Strategy for Mid-term Plan

Management Strategy

Net Sales(Billion yen)

Operating Income(Billion yen)

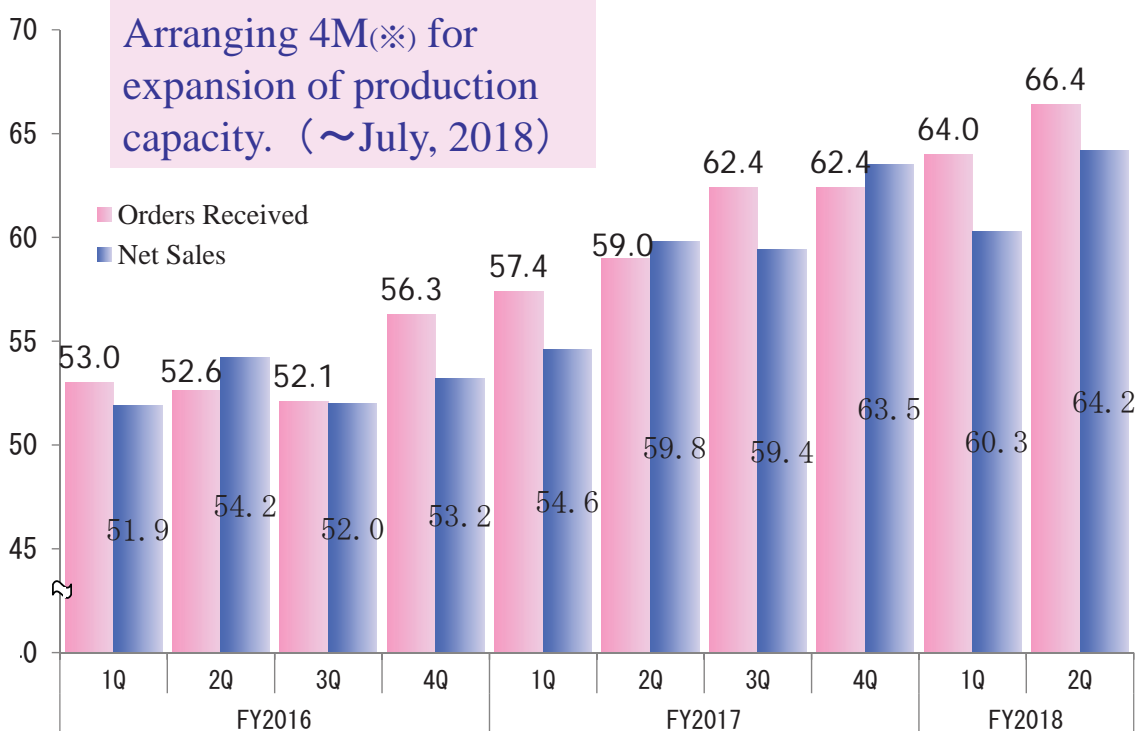


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# To Achieving FY2018 Plan

Management Strategy

Orders Received /Net Sales(Billion yen)



※4M・・・Man, Machine, Material, Method

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## ○Providing advanced robots and FA systems

### Development

- Strengthening capabilities to develop robots
  - Established the Robot R&D Center in Tokyo in April 2018.
  - Establishing the Robot R&D Center in Shanghai.
  - Expanding lineup of collaborative robots and small-sized robots.



Collaborative Robot C Z

### Sales

- Strengthening capabilities to propose robotic systems.
- Strengthening alliance with system integrators in North America and China.
- Utilizing Robot Technical Centers.



Technical Center in Shanghai

### Production

- Establishing new plants for small-sized robots in Japan. (scheduled to start operations in 2019.)
- Building integrated production lines with automatic assembly systems.

## ○Expanding product lineup of components for EVs

### Components

Bearings for electric units, electric actuators, etc.



Bearings for electric units



Electric actuators

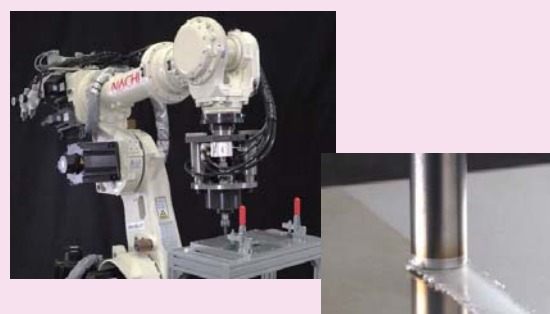
### Shaping technology

Integrated skiving shaping system  
(Cutting Tools + Machine Tools + Robots)

FSW(Friction Stir Welding) joining system  
(Special Steels + Robots)



Integrated skiving shaping system



FSW joining system

### Cutting Tools

- Launching new lineup of taps and carbide drills.  
(new materials and coating film species)



AQUA Drill EX  
Series of Carbide Drills

### Bearing

- Expanding production capacity of thin-walled bearings for speed reducers.
- Enhancing function of precision support bearings.



Thin-walled bearings  
for speed reducers

### Hydraulic Equipment

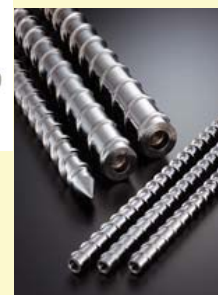
- Launching preventive maintenance valves compatible with IoT.
- Launching high-pressure piston pumps for forging machines and press machines.



High-pressure  
piston pumps

### Special Steels

- Screw components for injection molding machines for fluoropolymers.



Screw components 14

# NACHI

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

These materials describe our future earnings forecasts and business plans, and are based on the assumption of an economic environment and business policies that remain fixed as they are now. Therefore, please note that actual earnings are subject to numerous factors, including market fluctuations and currency fluctuations, which may result in a different earnings forecast.