

Business Results for FY2024

Jan 14, 2025



NACHI-FUJIKOSHI CORP.

Outline

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| 1. Business Results for FY2024 | 2 ~ 8 |
| 2. Business Forecast for FY2025 | 9 ~23 |

Business Results for FY2024

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Business Results for FY2024

FY2024

(Billions of yen)

	FY2023 Actual (A)		FY2024 Actual (B)		Increase/ Decrease (B) – (A)
Net Sales	265.4		239.8		(-9.6%) -25.6
Operating Profit	(4.5%)	11.8	(2.8%)	6.6	(-44.1%) -5.2
Ordinary Profit	(5.2%)	11.0	(1.8%)	4.2	(-61.6%) -6.8
Profit attributable to owners of the parent	6.4		3.3		(-48.2%) -3.1
Exchange rate (JPY/1USD)	139		150		11 JPY depreciation
(JPY/1EUR)	150		163		13 JPY depreciation
(JPY/1CNY)	19.7		20.9		1.2 JPY depreciation
Cash Dividends per share (JPY)	110		100		-10

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Consolidated Financial Data

FY2024

(Billions of yen)

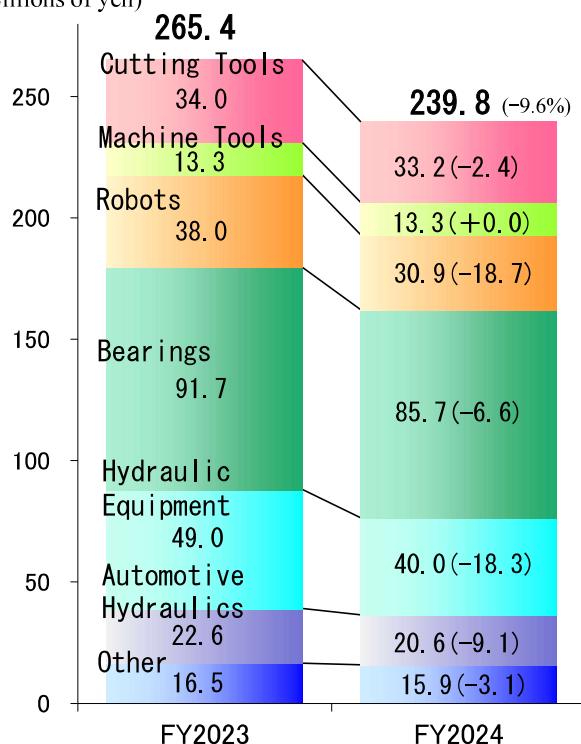
	FY2023 Actual (A)	FY2024 Actual (B)	Increase/ Decrease (B) – (A)
ROE	4.2%	2.1%	−2.1pt
Total Assets	370.3	334.7	−35.6
Stockholder's Equity (Stockholder's Equity ratio)	(43.9%) 162.7	(47.4%) 158.8	−3.9
Interest-bearing Debts (Net D/E ratio)	(0.47) 109.7	(0.37) 91.0	−18.7
Facility Investment	19.1	11.7	−7.4
Depreciation and Amortization	19.4	20.0	+0.6
Number of Regular Employees (persons)	7,204	6,943	−261

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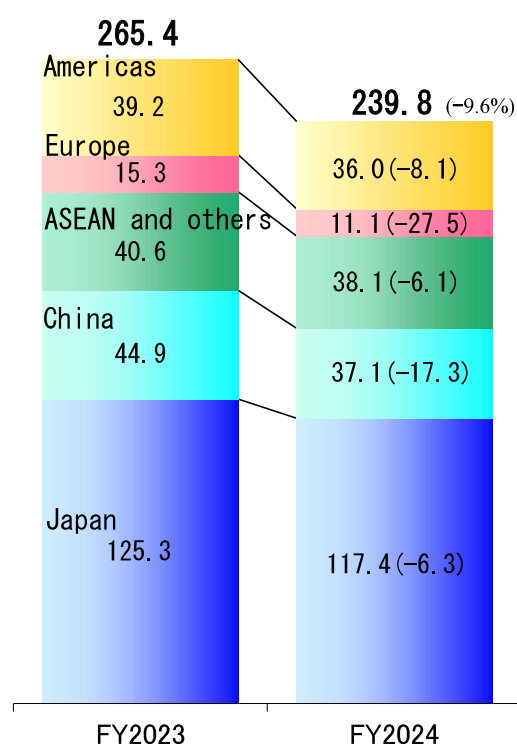
Sales by Business Segment and Region

FY2024

(Sales by Business Segment) (YoY)
(Billions of yen)



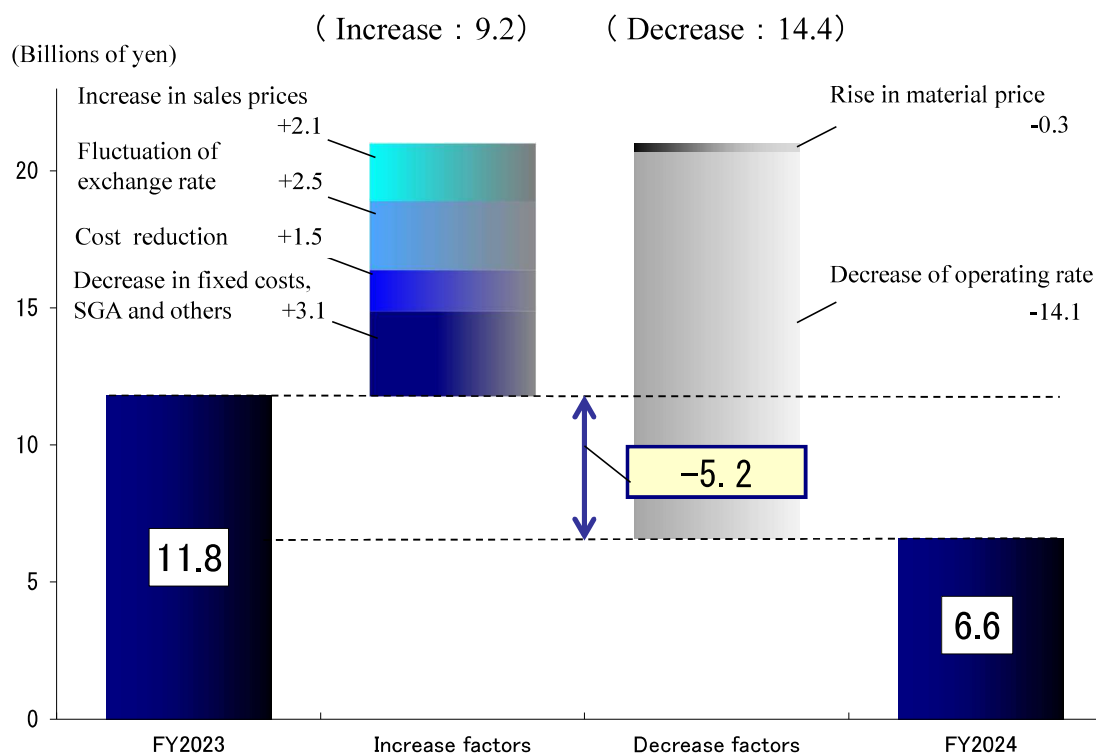
(Sales by Region) (YoY)



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Operating Profit Analysis

FY2024



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Extraordinary income and losses

FY2024

(Billions of yen)

	FY2023 Actual (A)	FY2024 Actual (B)	Increase/ Decrease (B) - (A)
Extraordinary income	0.0	4.8	+4.8
Main breakdown			
Gain on sale of investment securities	0.0	3.6	+3.6
Gain on sale of non-current assets	0.0	1.2	+1.2
Extraordinary losses	0.0	4.3	+4.3
Main breakdown			
Restructuring expenses	—	4.2	+4.2
(Impairment loss)	(—)	(3.3)	(+3.3)
(Special retirement allowance)	(—)	(0.5)	(+0.5)

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Sales and Operating Profit by Business Segment

FY2024

(Billions of yen)

		FY2023 Actual (A)		FY2024 Actual (B)		Increase/ Decrease (B) – (A)	
Machinery & Tools	Cutting Tools	34.0		33.2		(-2.4%)	-0.8
	Machine Tools	13.3		13.3		(+0.0%)	+0.0
	Robots	38.0		30.9		(-18.7%)	-7.1
	Net Sales	85.4		77.5		(-9.3%)	-7.9
	Operating Profit	(7.5%) 6.4		(5.0%) 3.8		(-39.4%)	-2.6
Components	Bearings	91.7		85.7		(-6.6%)	-6.0
	Hydraulic Equipment	49.0		40.0		(-18.3%)	-9.0
	Automotive Hydraulic	22.6		20.6		(-9.1%)	-2.0
	Net Sales	163.5		146.3		(-10.5%)	-17.2
	Operating Profit	(2.8%) 4.5		(1.1%) 1.6		(-63.0%)	-2.9
Other	Net Sales	16.5		15.9		(-3.1%)	-0.6
	Operating Profit	(5.9%) 0.9		(6.7%) 1.0		(+10.1%)	+0.1
Total Net Sales		265.4		239.8		(-9.6%)	-25.6
Total Operating Profit		(4.5%) 11.8		(2.8%) 6.6		(-44.1%)	-5.2

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Business Forecast for FY2025

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Consolidated Financial Highlights

FY2025

(Billions of yen)

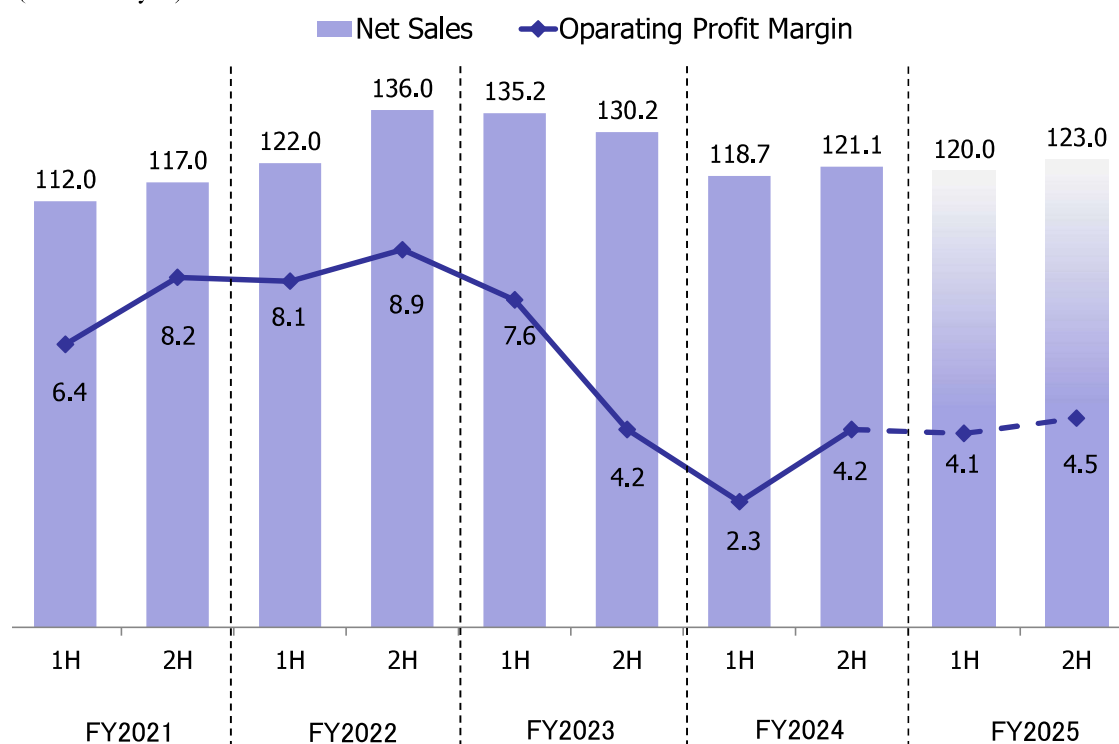
	FY2024 Actual (A)		FY2025 Forecast (B)		Increase/ Decrease (B) – (A)	
Net Sales	239.8		243.0		(+1.3%)	+3.2
Operating Profit	(2.8%)	6.6	(3.5%)	8.6	(+29.6%)	+2.0
Ordinary Profit	(1.8%)	4.2	(2.7%)	6.6	(+55.8%)	+2.4
Profit attributable to owners of the parent	3.3		4.0		(+19.3%)	+0.7
Exchange rate (JPY/1USD)	150		145		5 JPY appreciation	
(JPY/1EUR)	163		155		8 JPY appreciation	
(JPY/1CNY)	20.9		20.0		0.9 JPY appreciation	
Cash Dividend per share (JPY)	100		100		—	

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Trend of business results every half year

FY2025

(Billions of yen)

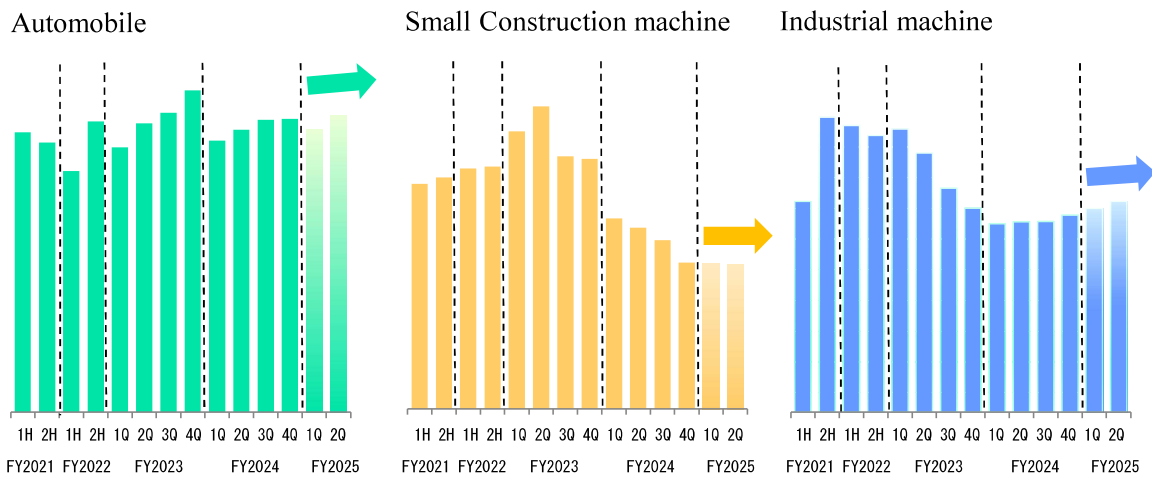


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Trends of the demand -Part1

FY2025

(Trends by industry : Trends of production by main customer)



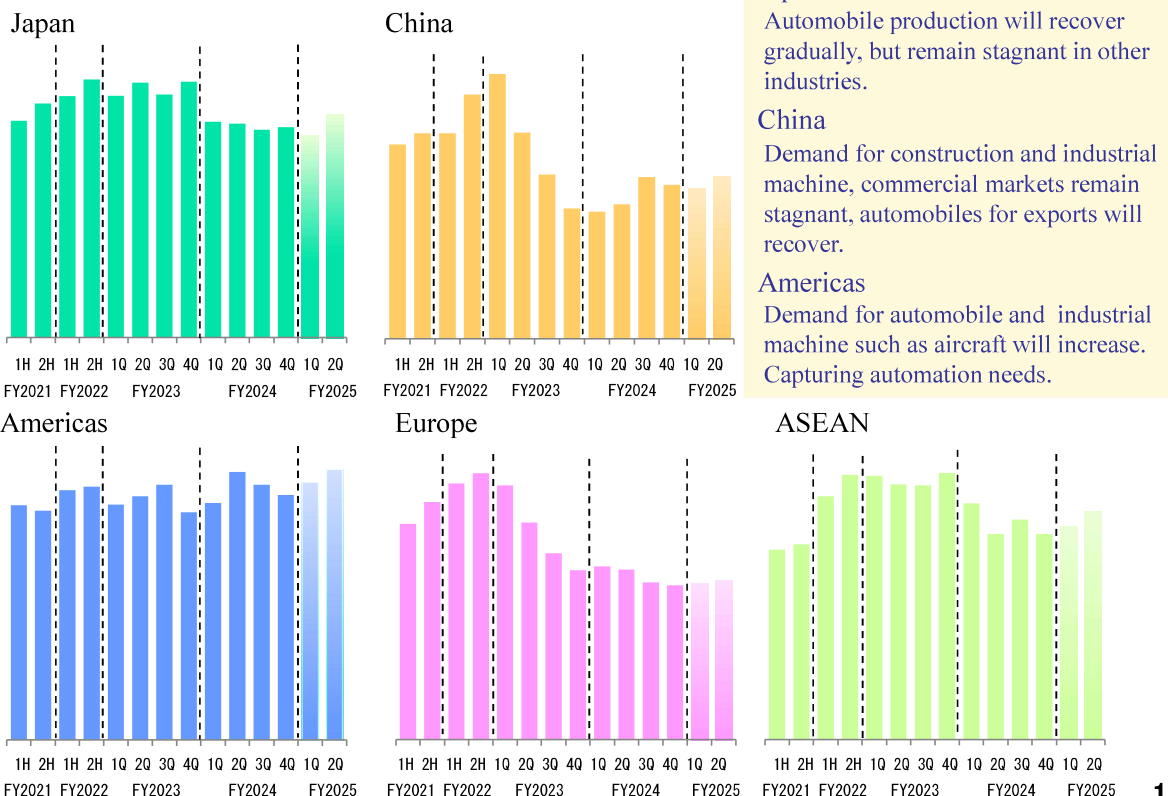
(Trends of main industries)

- Automobile : Domestic sales will recover from production cuts. Globally, demand for EVs will be slow, but for HEVs will expand.
- Construction machine : In addition to China and Europe, sales in Japan and North America are also stagnant.
- Industrial machine : Although there is a difference in sales by industries, demand for industrial machine will recover gradually.

Trends of the demand -Part2

FY2025

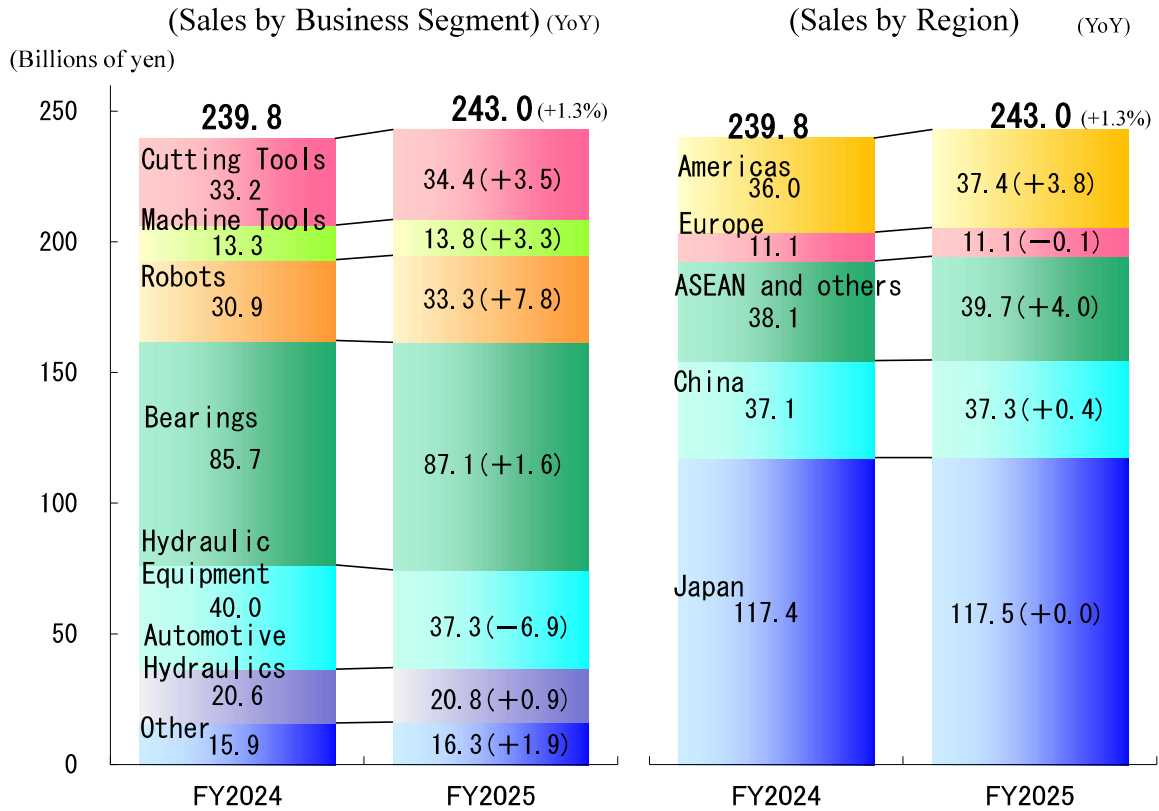
(Trends by Region)



- Japan
Automobile production will recover gradually, but remain stagnant in other industries.
- China
Demand for construction and industrial machine, commercial markets remain stagnant, automobiles for exports will recover.
- Americas
Demand for automobile and industrial machine such as aircraft will increase. Capturing automation needs.

Sales by Business Segment and Region

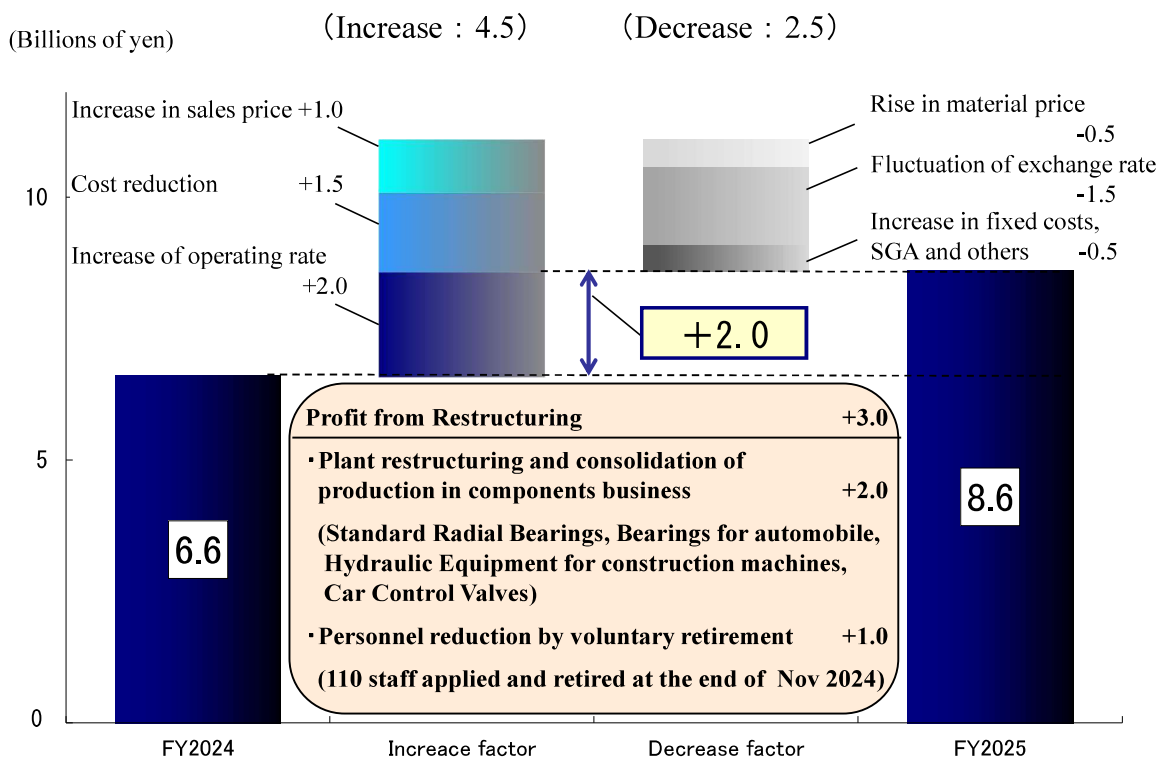
FY2025



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Operating Profit Analysis

FY2025



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Sales and Operating Profit by Business Segment

FY2025

(Billions of yen)

		FY2024 Actual (A)		FY2025 Forecast (B)		Increase/ Decrease (B) – (A)	
Machinery & Tools	Cutting Tools	33.2	33.2	34.4	34.4	(+3.5%)	+1.2
	Machine Tools	13.3	13.3	13.8	13.8	(+3.3%)	+0.5
	Robots	30.9	30.9	33.3	33.3	(+7.8%)	+2.4
	Net Sales	77.5	77.5	81.5	81.5	(+5.2%)	+4.0
	Operating Profit	(5.0%) 3.8	(5.0%) 3.8	(6.0%) 4.9	(6.0%) 4.9	(+26.3%)	+1.1
Components	Bearings	85.7	85.7	87.1	87.1	(+1.6%)	+1.4
	Hydraulic Equipment	40.0	40.0	37.3	37.3	(-6.9%)	-2.7
	Automotive Hydraulic	20.6	20.6	20.8	20.8	(+0.9%)	+0.2
	Net Sales	146.3	146.3	145.2	145.2	(-0.8%)	-1.1
	Operating Profit	(1.1%) 1.6	(1.1%) 1.6	(1.7%) 2.5	(1.7%) 2.5	(+50.2%)	+0.9
Other	Net Sales	15.9	15.9	16.3	16.3	(+1.9%)	+0.4
	Operating Profit	(6.7%) 1.0	(6.7%) 1.0	(7.4%) 1.2	(7.4%) 1.2	(+12.1%)	+0.2
Total Net Sales		239.8	239.8	243.0	243.0	(+1.3%)	+3.2
Total Operating Profit		(2.8%) 6.6	(2.8%) 6.6	(3.5%) 8.6	(3.5%) 8.6	(+29.6%)	+2.0

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Restructuring in Bearings business

FY2025

Products	Changes in the business environment	Our strategies against the changes
Standard radial bearings	▪ Decrease in demand due to the shift to EVs	▪ Consolidating bearings production around the world at the Thailand plant to improve production efficiency
	▪ Catch-up of Chinese manufacturers	▪ Further streamline by expanding consolidated production at the Thailand plant
Special bearings for automobiles	▪ The rise of Chinese EV manufacturers	▪ Based on the idea of production in optimal locations, transfer productions from overseas plants to Japan and Thailand
High-performance, high-quality bearings	▪ Increasing quality requirements (Corrosion resistance, Quieter, High-speed rotation, Space-saving etc)	▪ In Japan as the mother factory, respond to the needs of high-performance and high-quality

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Restructuring in Bearings business

FY2025

- Pursuit of cost competitiveness at the Thailand plant
- Integrated production of standard radial bearings



Thailand plant



Forging > Turning > Heating



> Grinding > Assembling

Produce 90% of standard radial bearings and 40% of all bearings at the Thailand plant

Expansion of orders in The US

FY2025

- Return to domestic production by the idea of America First

Strategy

Capturing automation needs and expanding sales of all products, centering on robots

Eastern

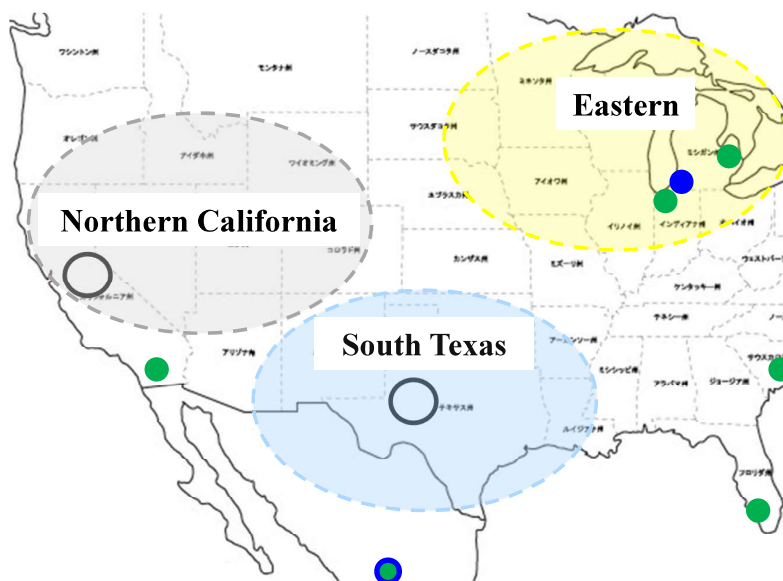
- Concentrating automobile manufacturer

Northern California

- Concentrating the headquarters of the electronics and electrical industry, EV manufacturer

South Texas

- Concentrating manufacturing factories of the electronics and automobile

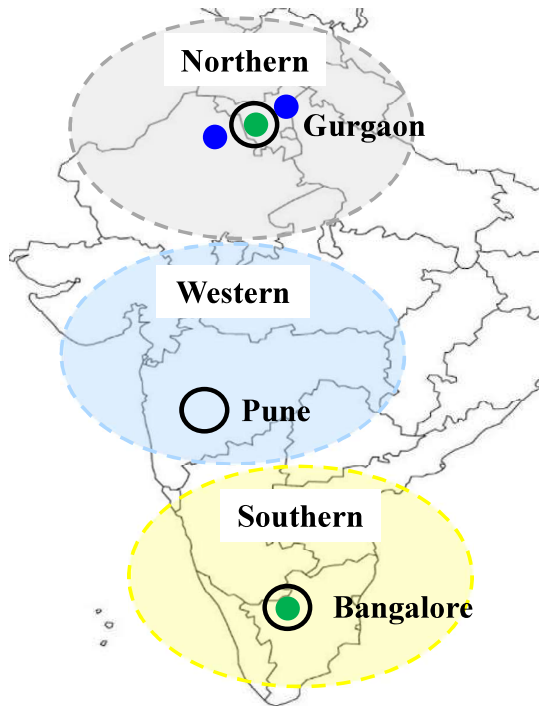


- Sales Offices and Service Facilities
- Manufacturing Plants

Expansion of orders in India

FY2025

○ India becomes the world's factory in place of China.



Strategy

Capturing the need to improve the quality of manufacturing and expanding sales of all products, including robots

Northern

Gurgaon : Automobile

Western

Pune : Automobile, Industrial machinery

Southern

Bangalore : Automobile, Electrical and electronic industries

- Sales Offices and Service Facilities
- Manufacturing Plants

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Market launch of new products

FY2025

○ Exploring new markets



Collision-free collaborative robots 「MZS05」

Burrless series



For steel

For Non-ferrous

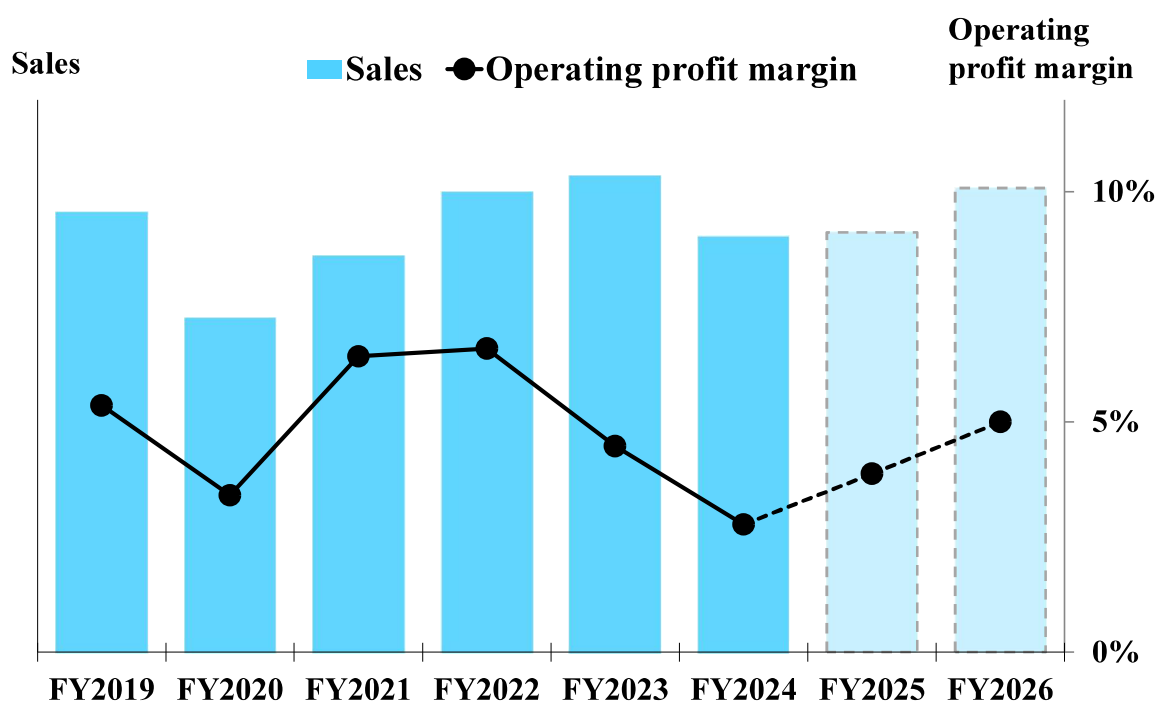


Gear grinding machine 「GSGT260」

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Trends of future performance

FY2025



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Consolidated Financial Data

FY2025

(Billions of yen)

	FY2024 Actual (A)	FY2025 Forecast (B)	Increase/Decrease (B) – (A)
ROE	2.1%	2.5%	+0.4pt
Total Assets	334.7	328.0	-6.7
Stockholder's Equity (Stockholder's Equity ratio)	(47.4%) 158.8	(47.6%) 156.0	-2.8
Interest-bearing Debts (Net D/E ratio)	(0.37) 91.0	(0.40) 94.0	+3.0
Facility Investment	11.7	17.0	+5.3
Depreciation and Amortization	20.0	19.0	-1.0
Number of Regular Employees (persons)	6,943	6,906	-37

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NACHI

<https://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 various factors, including market fluctuations and currency fluctuations, which may result in a different earnings forecast.