

# Business Results for the 1<sup>st</sup> Half ended May 31, 2013

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July 9, 2013

**NACHI** 株式会社 不二越

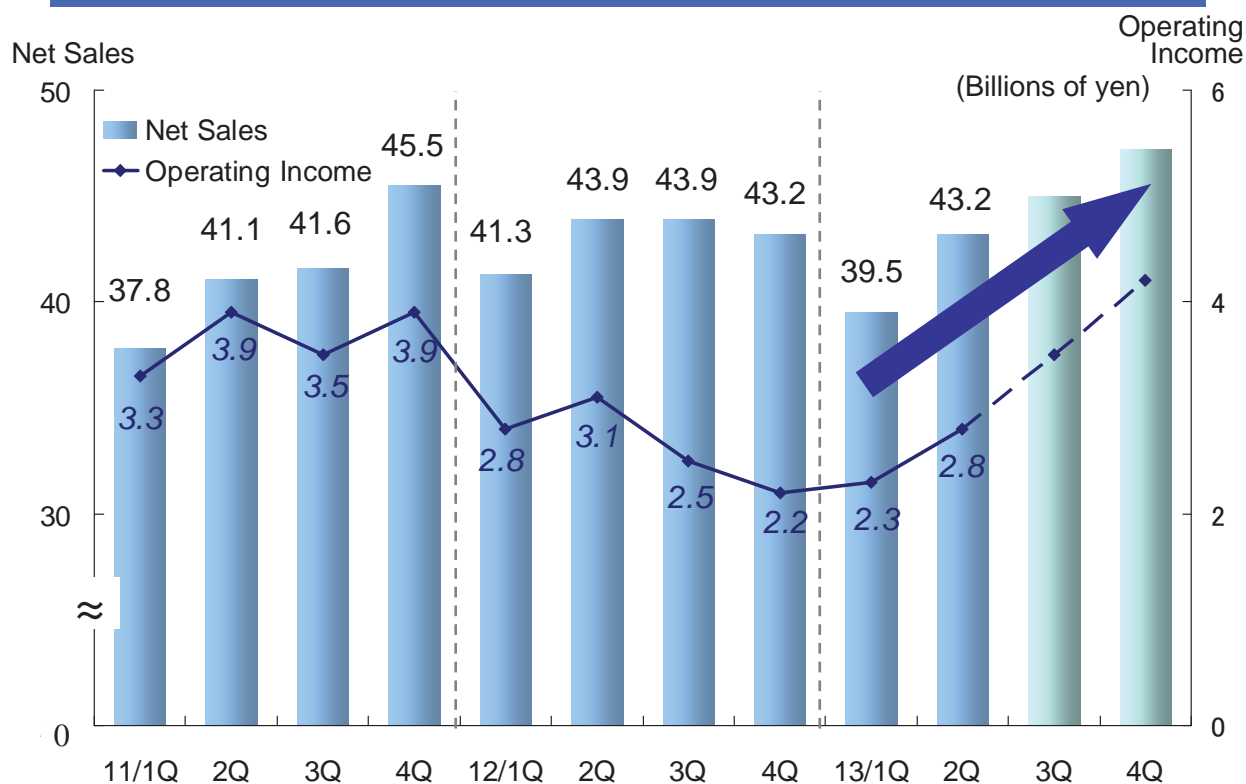
## Contents

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1. Overview of FY2013	2-8
2. FY2013 1 <sup>st</sup> Half Results FY2013 Full Year Forecast	9-21

## Quarterly Financial Results and Forecast

### Overview



2

## FY2013 1<sup>st</sup> Half Results & Full Year Forecast

### Overview

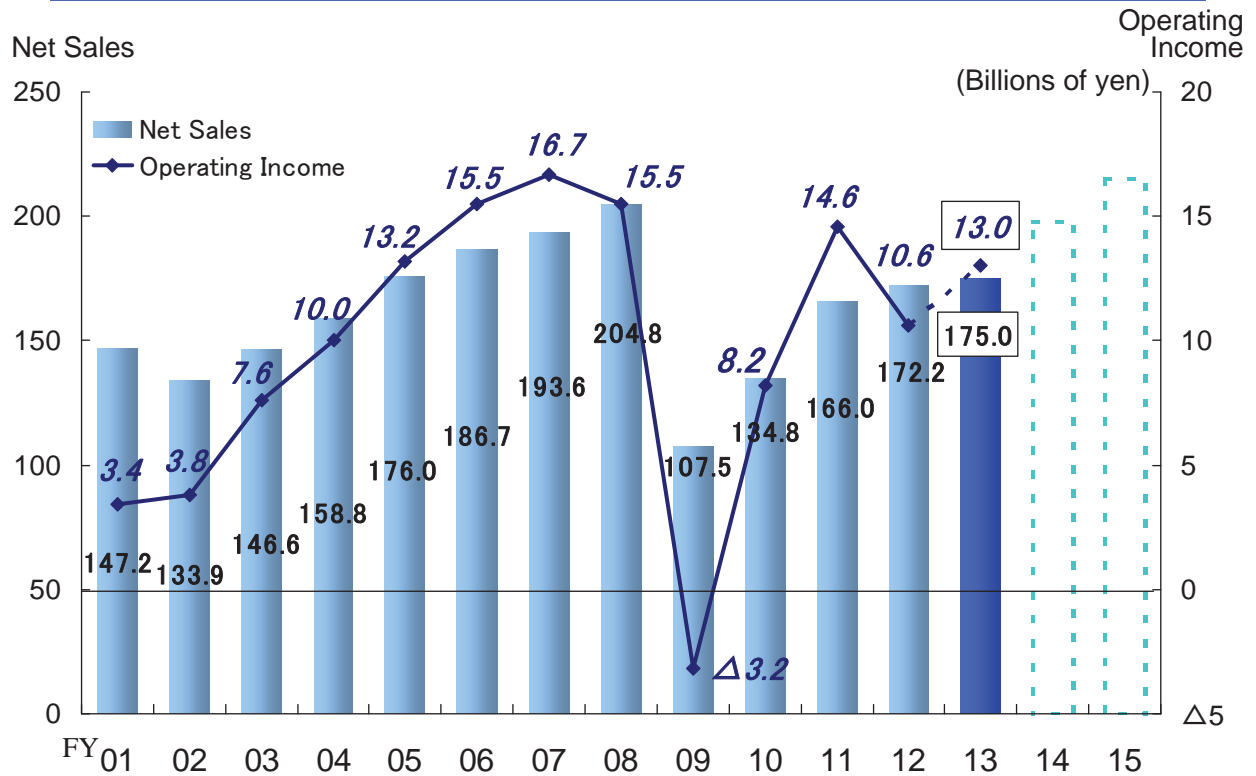
(Billions of yen)

	FY2012		FY2013	
	1 <sup>st</sup> Half	Full Year	1 <sup>st</sup> Half	Full Year
<i>(rate of increase)</i>			<i>(-2.7%)</i>	<i>(+1.6%)</i>
Net Sales	85.1	172.2	<b>82.8</b>	<b>175.0</b>
<i>[profit ratio on net sales]</i>			<i>(-11.7%)</i>	<i>(+22.2%)</i>
Operating Income	[7.0%] 5.9	[6.2%] 10.6	<b>[6.3%] 5.2</b>	<b>[7.4%] 13.0</b>
Ordinary Income	[6.0%] 5.0	[5.3%] 9.1	<i>(+5.0%)</i> <b>[6.5%] 5.3</b>	<i>(+31.7%)</i> <b>[6.9%] 12.0</b>
Net Income			<i>(-14.3%)</i> <b>2.2</b>	<i>(+30.8%)</i> <b>6.0</b>

3

## Historical Financial Result and Forecast

### Overview



4

## Full-Scale Operations at Chinese New Plant

### Overview

ONACHI (JIANGSU) INDUSTRIES CO., LTD. (from Feb. '13)

Product line: Robot, Hydraulic equipment for construction/  
Industrial machinery, Car control valves, and  
Precision Cutting Tools

Established together with Technical Center

Catch local demands,  
by exploiting Showroom and R&D Center



Showroom



R&D Center

5

○ NACHI KG Technology India Pte. Ltd. (began from July '13)

For the main base of Bearing business in India



Product line:  
Bearings for industrial  
machinery and motor vehicles



For targeting the manufacture of 1 million units per month in FY2015,  
Working on customer acquisition, like local motor vehicles makers  
and industrial machinery makers

### Reorganization and Expansion of Main Oversea Plants Reconstructing of supply chain of bearings and cutting tools



### Hydraulic Equipments for 8-ton Construction Machine

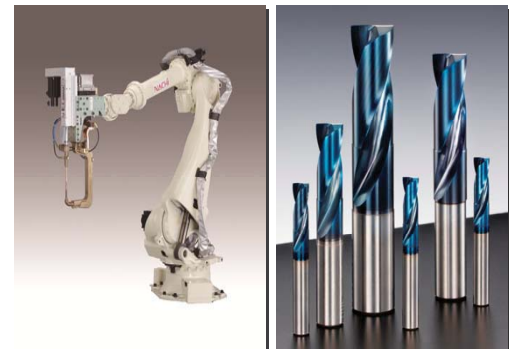
The demand is increasing in the world Customer development and Share up by selling 5equipments set.

### Super-high speed robot “SRA Series”

Expand the lineup; increasing size type, sliming type, and advanced featured type

### Carbide drill “AQUA series”

Expand Sizes, Series, and obtain Market Share



# Overview of FY2013 1st Half Results

## Consolidated Financial Highlights of FY2013 1st Half FY2013 1st Half

(Billions of yen)

	FY2012 1st Half (A)		FY2013 1st Half(B)		Increase/Decrease (Proportion) (B) – (A)	
Net Sales		85.1		<b>82.8</b>	(-2.7%)	-2.3
(profit ratio on net sales) Operating Income	(7.0%)	5.9	(6.3%)	<b>5.2</b>	(-11.7%)	-0.7
Ordinary Income	(6.0%)	5.0	(6.5%)	<b>5.3</b>	(+5.0%)	+0.2
Extraordinary income		0		<b>0.3</b>		+0.3
Extraordinary loss		0		<b>1.1</b>		+1.1
Net Income		2.6		<b>2.2</b>	(-14.3%)	-0.4

10

## Consolidated Financial Data

FY2013 1st Half

(Billions of yen)

	FY2012 1st Half (A)		FY2013 1st Half(B)		Increase/Decrease (Proportion) (B) – (A)	
Total Assets		197.1		<b>209.6</b>		+12.4
Stockholder's equity (stockholder's equity ratio)	(31.0%)	61.2	(33.9%)	<b>71.1</b>		+9.9
Interest-bearing debt (Net D/E ratio)	(0.8X)	73.5	(0.6X)	<b>72.2</b>		-1.3
Capacity investment		5.9		<b>6.7</b>		+0.8
Depreciation and amortization		4.9		<b>4.9</b>		+0.0
Number of employees		5,834		<b>6,010</b>		+176
Exchange rate (USD)		78 yen		<b>87 yen</b>	8 yen depreciation against USD	
(Euro)		104 yen		<b>113 yen</b>	9 yen depreciation against Euro	

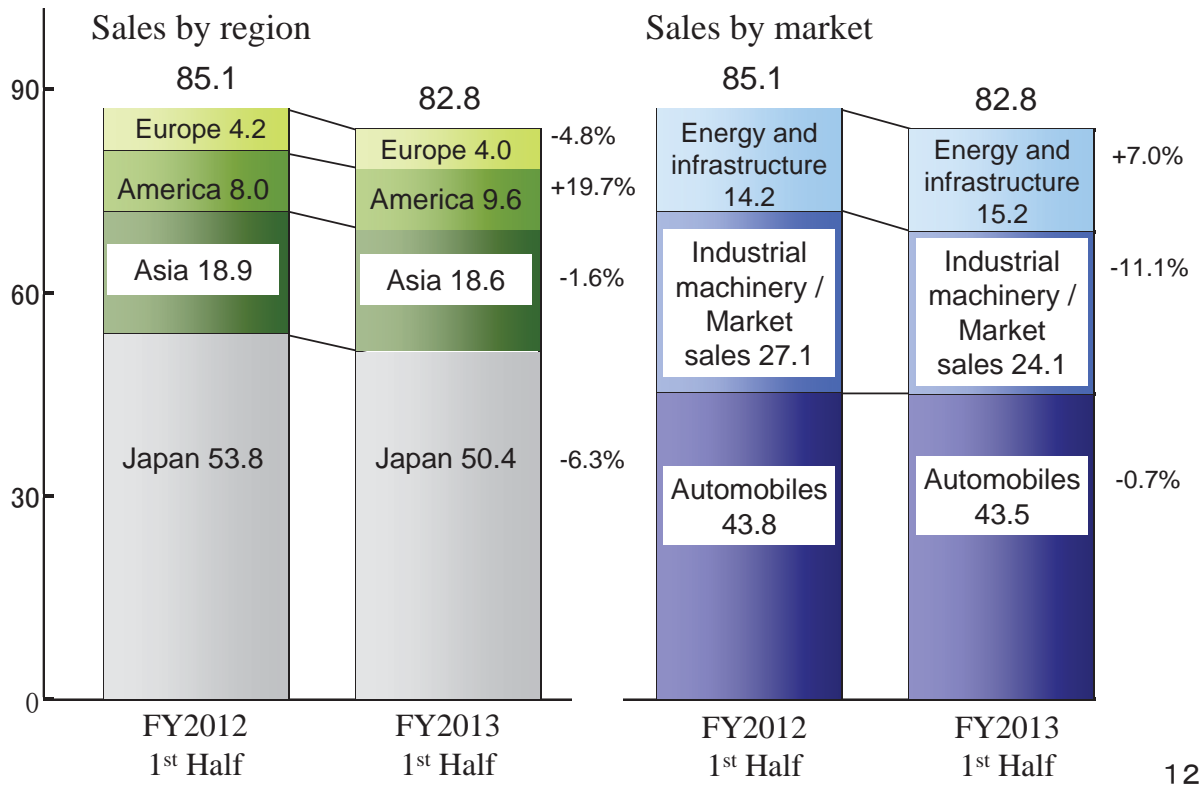
11



# Sales by Region and Market Segment

FY2013 1st Half

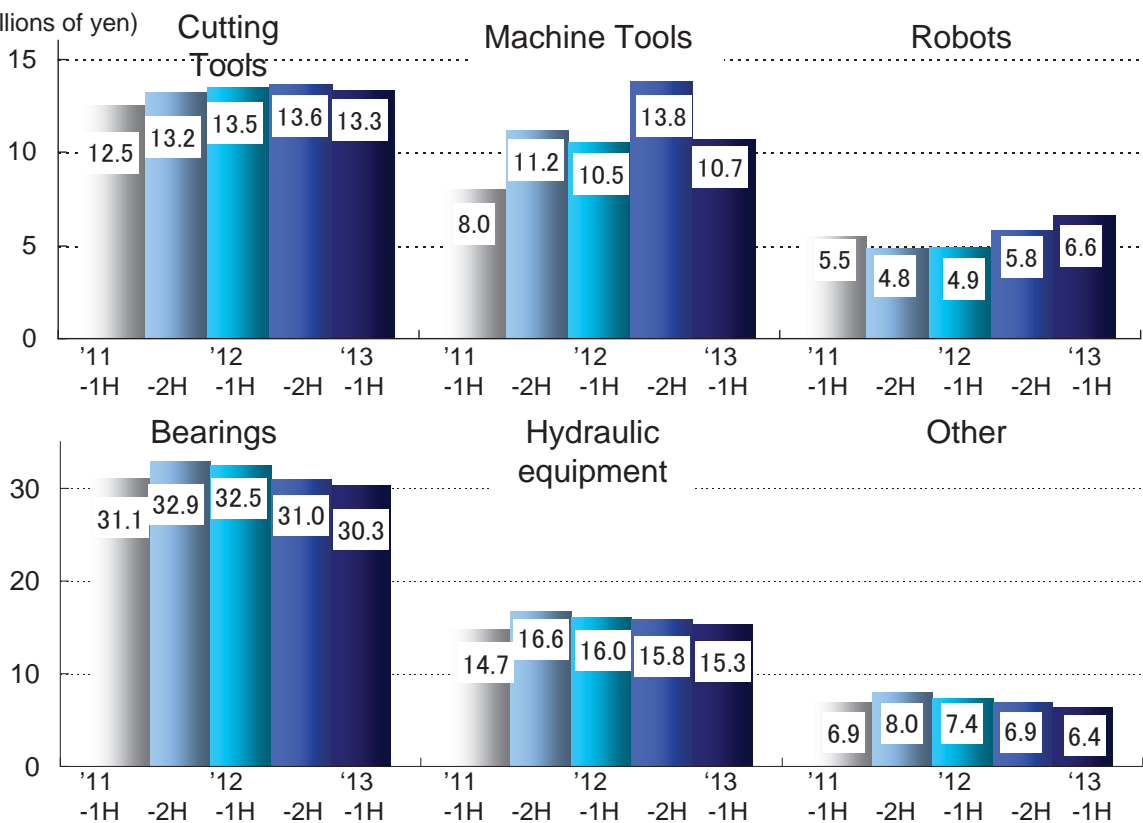
(Billions of yen)



# Sales by Business

FY2013 1st Half

(Billions of yen)



## Sales and Operating Income by Business Segments

FY2013 1st Half

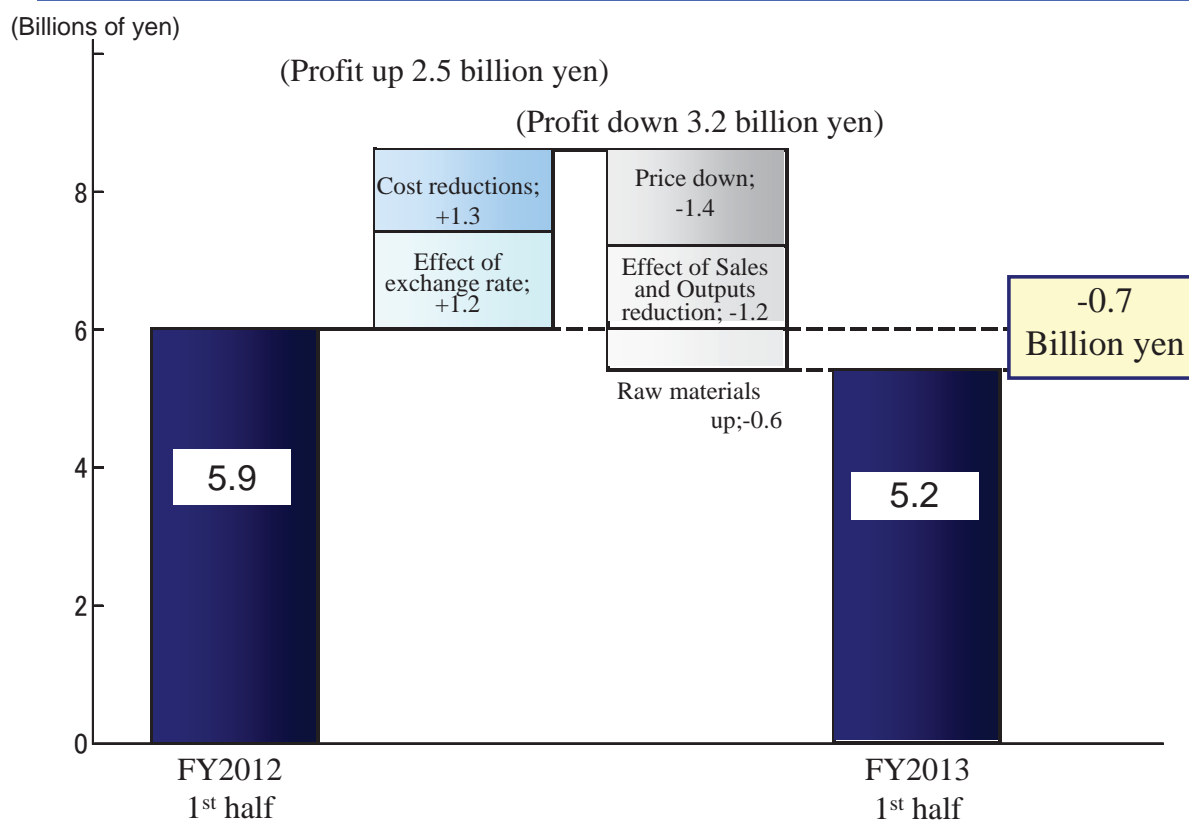
(Billions of yen)

	FY2012 1 <sup>st</sup> Half (A)	FY2013 1 <sup>st</sup> Half(B)	(%)	(B)–(A)
<b>Machinery &amp; Tools</b>				
Net Sales	29.0	<b>30.7</b>	(+5.7%)	+1.6
Operating Income	(9.2%) 2.6	<b>(8.5%) 2.6</b>	(-2.3%)	-0.0
<b>Components</b>				
Net Sales	48.6	<b>45.6</b>	(-6.1%)	-2.9
Operating Income	(4.4%) 2.1	<b>(4.5%) 2.0</b>	(-2.7%)	-0.0
<b>Materials &amp; Others</b>				
Net Sales	7.4	<b>6.4</b>	(-13.5%)	-1.0
Operating Income	(15.0%) 1.1	<b>(8.8%) 0.5</b>	(-49.1%)	-0.5
Total Net Sales	85.1	<b>82.8</b>	(-2.7%)	-2.3
Total Operating Income	(7.0%) 5.9	<b>(6.3%) 5.2</b>	(-11.7%)	-0.7

14

## Factors for Change in Operating Income

FY2013 1st Half



15



# Outlook for FY2013

16

## Consolidated Financial Highlights of FY2013 Plan

Forecast of FY2013

(Billions of yen)

	FY2012 Actual (A)	FY2013 Forecast(B)	Increase/Decrease (Proportion) (B) – (A)
Net Sales	172.2	<b>175.0</b>	(+1.6%) +2.7
(profit ratio on net sales) Operating Income	(6.2%) 10.6	(7.4%) <b>13.0</b>	(+22.2%) +2.3
Ordinary Income	(5.3%) 9.1	(6.9%) <b>12.0</b>	(+31.7%) +2.8
Extraordinary income	0.0	<b>0.4</b>	+0.3
Extraordinary loss	0.3	<b>1.3</b>	+0.9
Net Income	4.5	<b>6.0</b>	(+30.8%) +1.4

17

## Consolidated Financial Data

Forecast of FY2013

(Billions of yen)

	FY2012 Actual (A)	FY2013 Forecast(B)	Increase/Decrease (Proportion) (B) – (A)
Total Assets	187.1	<b>204.0</b>	+16.8
Stockholder's equity (stockholder's equity ratio)	(33.1%) 61.9	<b>(36.7%) 74.8</b>	+12.9
Interest-bearing debt (Net D/E ratio)	(0.7X) 60.7	<b>(0.6X) 58.5</b>	-2.2
Capacity investment	13.3	<b>10.0</b>	-3.3
Depreciation and amortization	10.1	<b>10.3</b>	+0.1
Number of employees	5,845	<b>6,000</b>	+155
Exchange rate (USD) (Euro)	78 yen 102 yen	<b>91 yen 119 yen</b>	13 yen depreciation against USD 16 yen depreciation against Euro

18

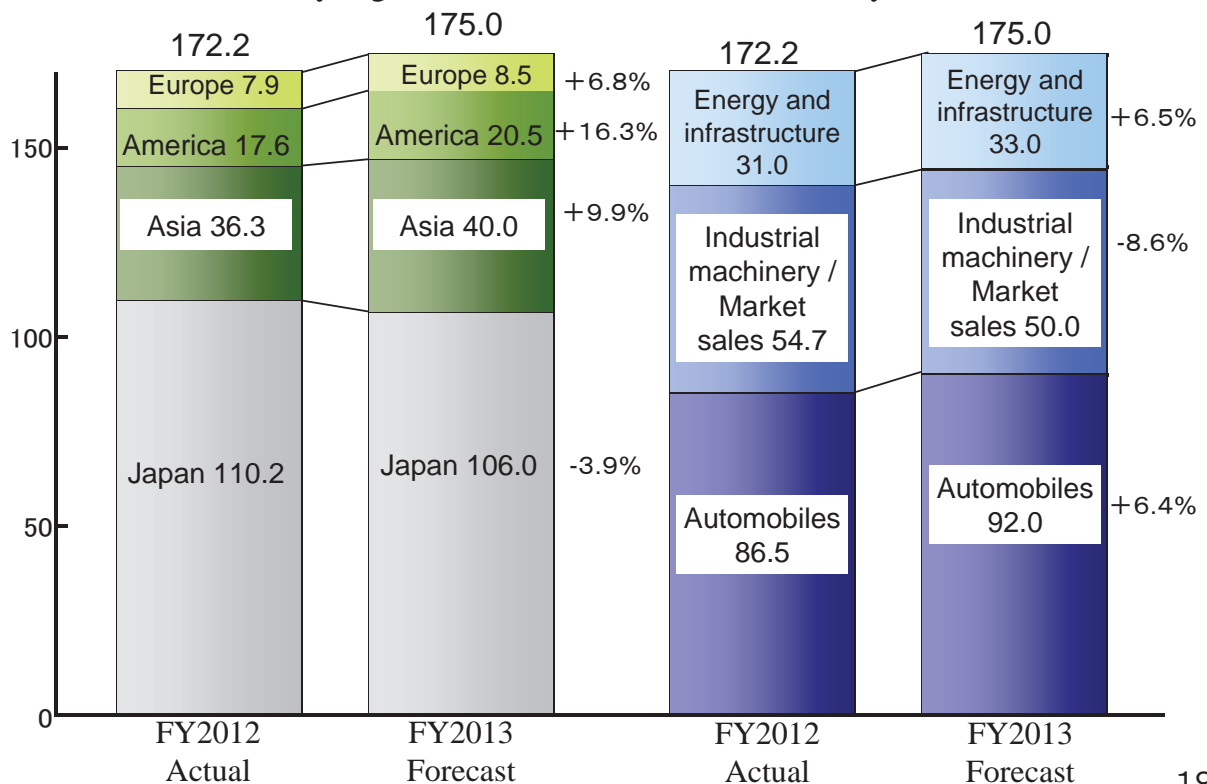
## Sales by Region and Market Segment

Forecast of FY2013

(Billions of yen)

Sales by region

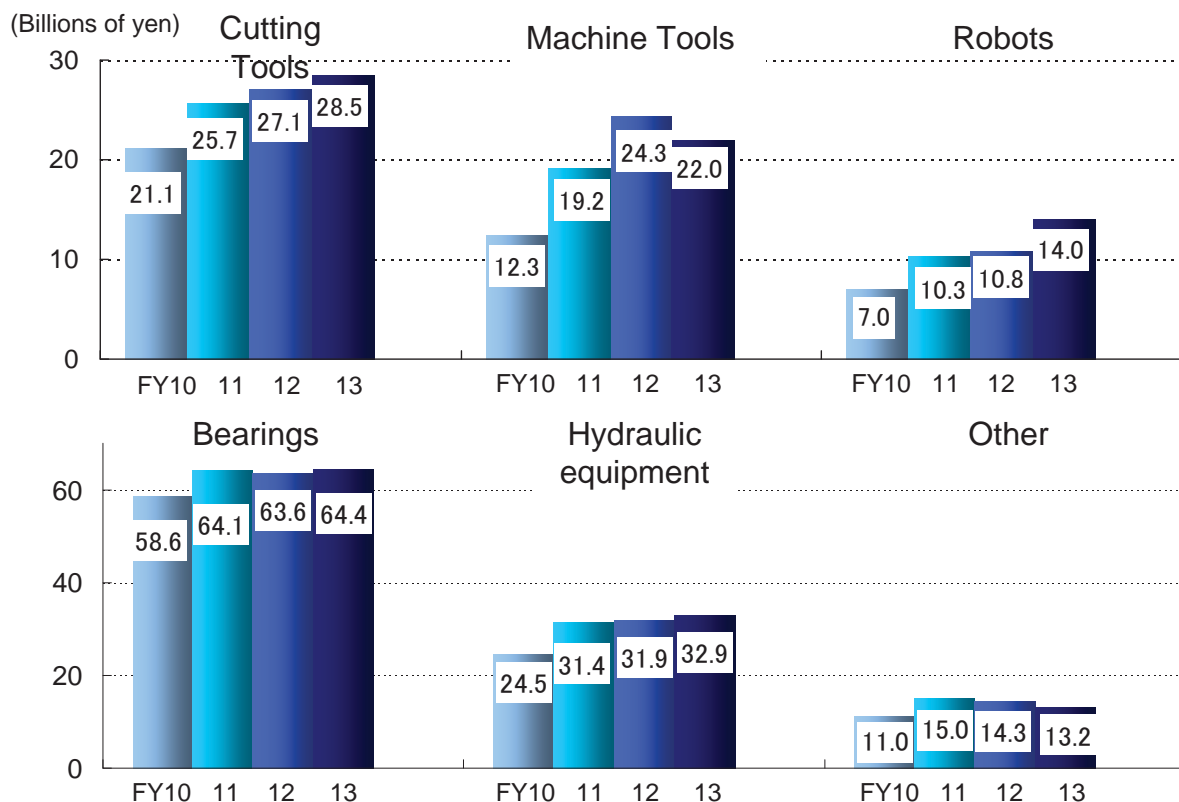
Sales by market



19

## Sales by Business

Forecast of FY2013



20

## Sales and Operating Income by Business Segments

Forecast of FY2013

(Billions of yen)

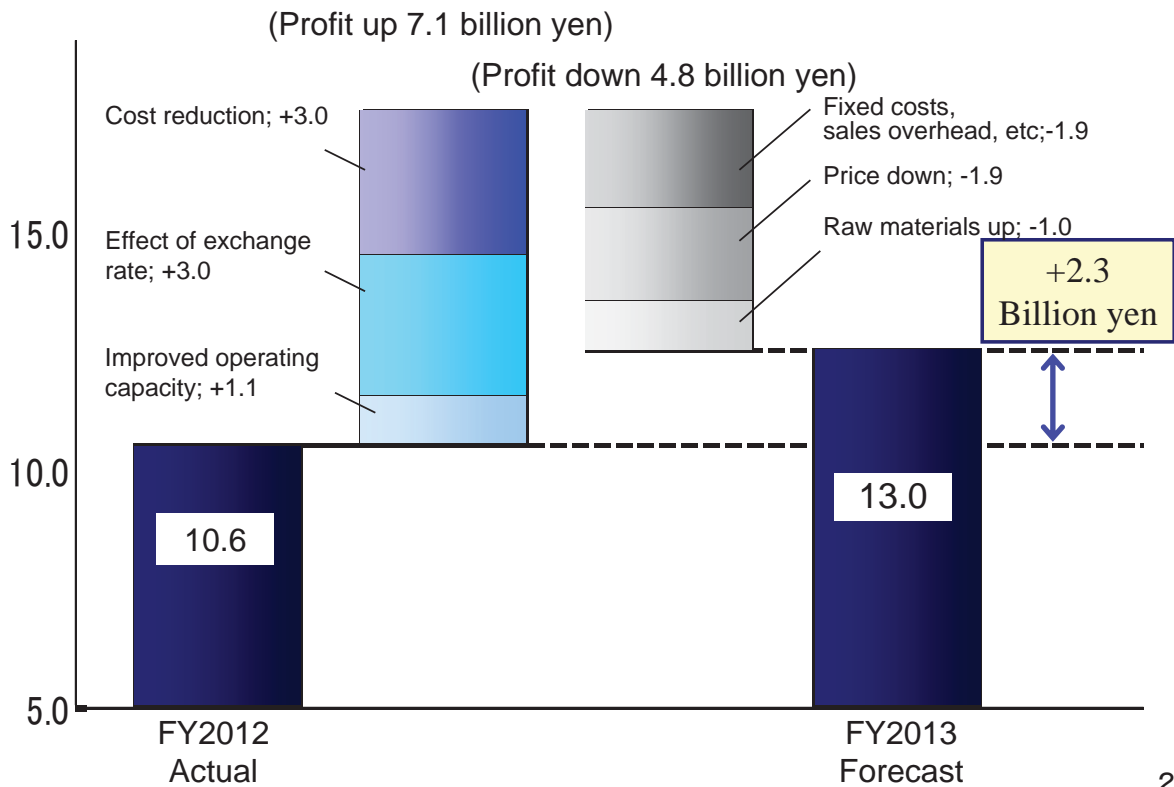
	FY2012 Actual (A)	FY2013 Forecast (B)	Change (%)	Change (B) – (A)
<b>Machinery &amp; Tools</b>				
Net Sales	62.3	64.5	(+3.4%)	+2.1
Operating Income	(8.8%) 5.5	(9.6%) 6.2	(+12.6%)	+0.6
<b>Components</b>				
Net Sales	95.5	97.3	(+1.9%)	+1.7
Operating Income	(3.6%) 3.4	(5.5%) 5.4	(+80.5%)	+1.9
<b>Materials &amp; Others</b>				
Net Sales	14.3	13.2	(-8.0%)	-0.8
Operating Income	(11.5%) 1.6	(10.6%) 1.4	(-15.3%)	-0.1
<b>Total Net Sales</b>	172.2	175.0	(+1.6%)	+2.7
<b>Total Operating Income</b>	(6.2%) 10.6	(7.4%) 13.0	(+22.2%)	+2.3

21

## Factors for Change in Operating Income

Forecast of FY2013

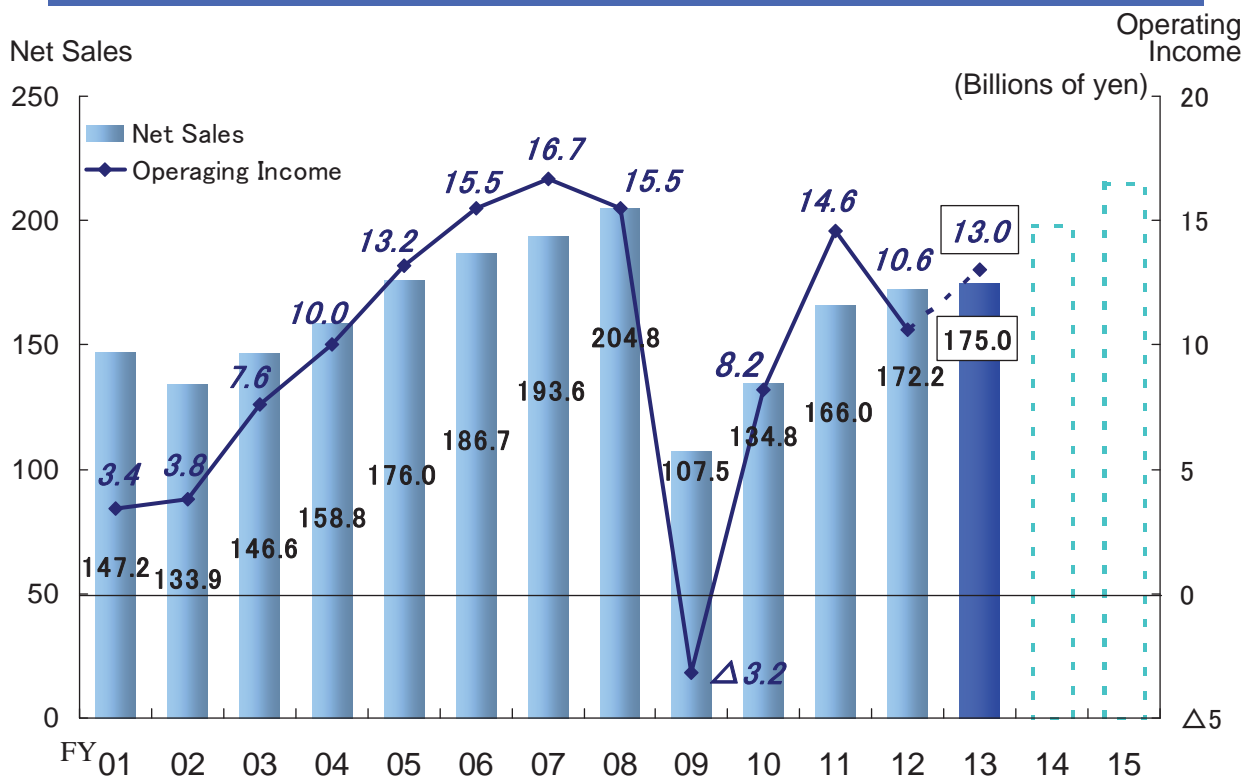
(Billions of yen)



22

## Historical Financial Result and Forecast

Forecast of FY2013



23

# 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.