

Business Results for FY2019

Jan. 24, 2020



NACHI-FUJIKOSHI CORP.

Outline

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Business Results for FY2019

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Business Results for FY2019

FY2019

(Billion JPY)

	FY2018 (A)	FY2019 (B)	Increase/ Decrease (B) – (A)
Net Sales	252.2	249.0	(-1.2%) -3.1
Operating Income	(6.1%) 15.3	(5.4%) 13.3	(-12.8%) -1.9
Ordinary Income	(5.5%) 13.9	(4.9%) 12.2	(-11.9%) -1.6
Net Income	8.9	8.2	(-7.8%) -0.7
Exchange rate (USD) (Euro) (RMB)	JPY 110 JPY 130 JPY 16.7	JPY 109 JPY 122 JPY 15.8	1 JPY appreciation 8 JPY appreciation 0.9 JPY appreciation
Cash Dividends	JPY 100	JPY 100	-

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Consolidated Financial Data

FY2019

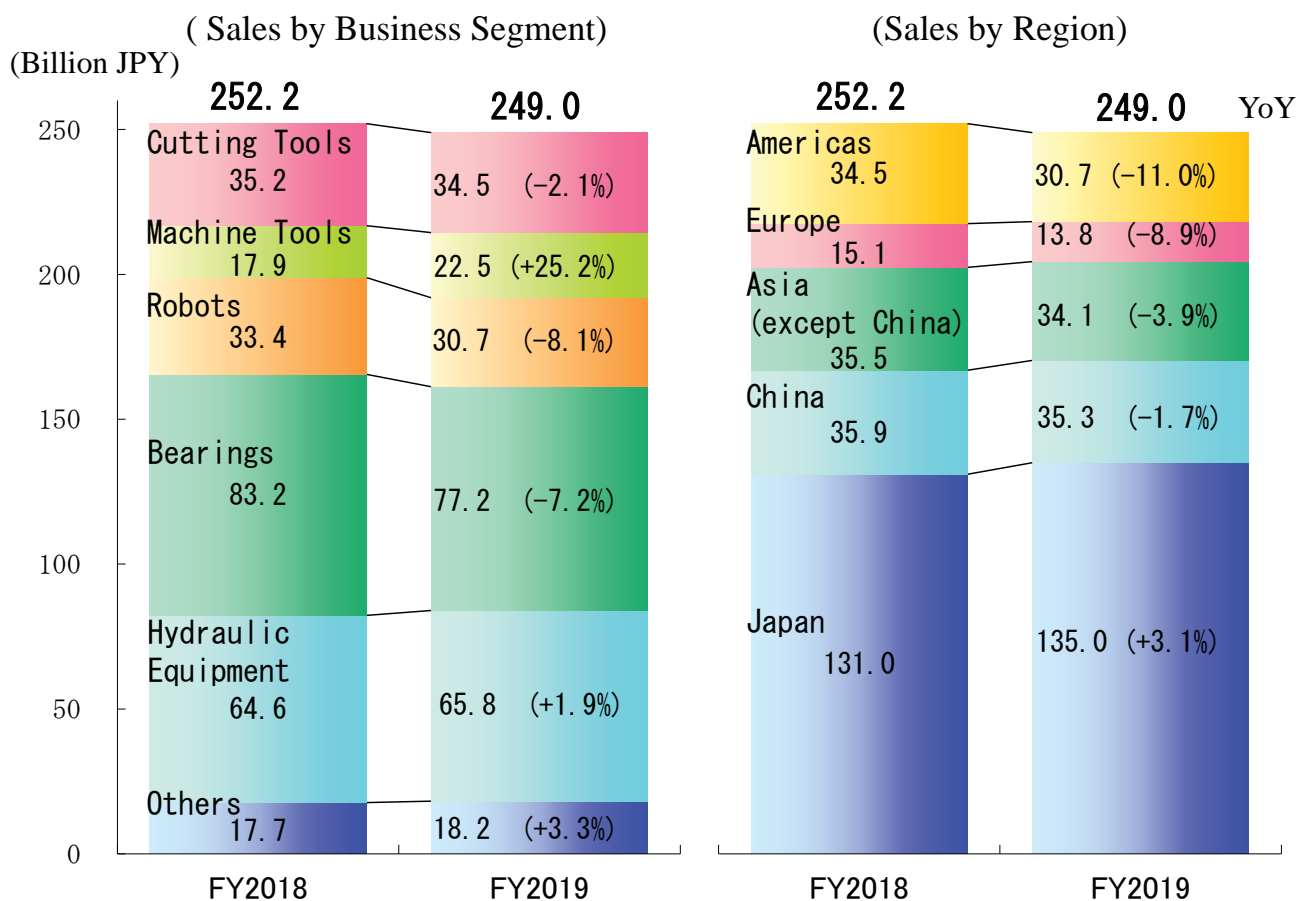
(Billion JPY)

	FY2018 (A)	FY2019 (B)	Increase/ Decrease (B)-(A)
ROE	7.9%	7.1%	-0.8pt
Total Assets	295.5	300.7	+5.2
Stockholder's Equity (Stockholder's Equity Ratio)	(38.8%) 114.5	(39.3%) 118.2	+3.6
Interest-bearing Debt (Net D/E Ratio)	(0.5) 83.5	(0.5) 86.3	+2.8
Capacity Investment	15.9	21.4	+5.4
Depreciation and Amortization	15.9	16.7	+0.8
Number of Employees (persons)	7,484	7,456	-28

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Sales by Business Segment and Region

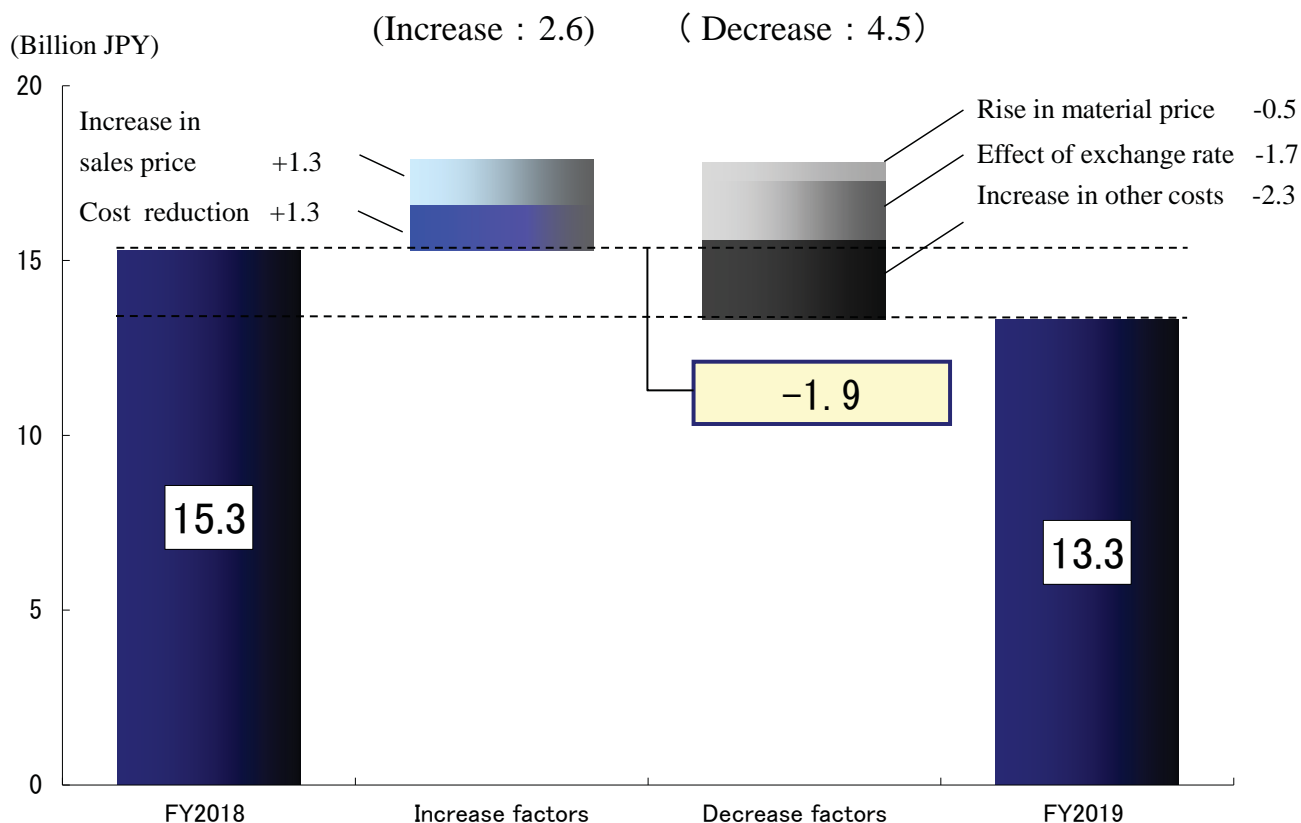
FY2019



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Causes of Changes in Operating Income

FY2019



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Sales and Operating Income by Business Segment

FY2019

(Billiion JPY)

		FY2018 (A)	FY2019 (A)	Increase/ Decrease (B) – (A)
Machinery & Tools	Cutting Tools	35.2	34.5	(-2.1%) -0.7
	Machine Tools	17.9	22.5	(+25.2%) +4.5
	Robots	33.4	30.7	(-8.1%) -2.7
	Net Sales	86.6	87.7	(+1.3%) +1.0
	Operating Income	(6.7%) 5.7	(7.0%) 6.1	(+5.5%) +0.3
Components	Bearings	83.2	77.2	(-7.2%) -6.0
	Hydraulic Equipment	64.6	65.8	(+1.9%) +1.2
	Net Sales	147.8	143.0	(-3.2%) -4.8
	Operating Income	(5.5%) 8.1	(3.8%) 5.4	(-33.0%) -2.6
Others	Net Sales	17.7	18.2	(+3.3%) +0.5
	Operating Income	(7.6%) 1.3	(9.5%) 1.7	(+29.0%) +0.3
Total Net Sales		252.2	249.0	(-1.2%) -3.1
Total Operating Income		(6.1%) 15.3	(5.4%) 13.3	(-12.8%) -1.9

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Business Forecast for FY2020

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Consolidated Financial Highlights (FY2020 Plan) **FY2020e**

(Billion JPY)

	FY2019 (A)	FY2020 Plan (B)	Increase/ Decrease (B) – (A)
Net Sales	249.0	230.0	(-7.7%) -19.0
Operating Income	(5.4%) 13.3	(5.4%) 12.5	(-6.4%) -0.8
Ordinary Income	(4.9%) 12.2	(5.0%) 11.5	(-6.1%) -0.7
Net Income	8.2	8.0	(-3.0%) -0.2
Exchange rate (USD) (EUR) (RMB)	JPY 109 JPY 122 JPY 15.8	JPY 107 JPY 118 JPY 15.3	2 JPY appreciation 4 JPY appreciation 0.5 JPY appreciation
Cash Dividends	JPY 100	JPY 100	-

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Consolidated Financial Data (FY2020 Plan)

FY2020e

(Billion JPY)

	FY2019 (A)	FY2020 Plan (B)	Increase/ Decrease (B) – (A)
ROE	7.1%	6.6%	−0.5pt
Total Assets	300.7	297.0	−3.7
Stockholder's Equity (Stockholder's Equity Ratio)	(39.3%) 118.2	(41.4%) 122.9	+4.6
Interest-bearing Debt (Net D/E Ratio)	(0.5) 86.3	(0.5) 87.5	+1.1
Capacity Investment	21.4	17.0	−4.4
Depreciation and Amortization	16.7	17.5	+0.7
Number of Employees (persons)	7,456	7,450	−6

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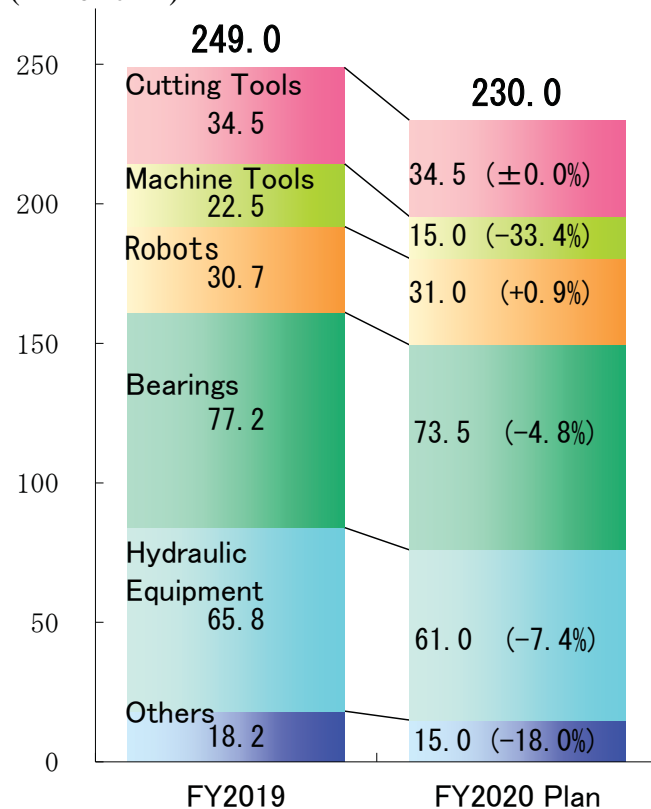
Sales by Business Segment and Region (FY2020 Plan)

FY2020e

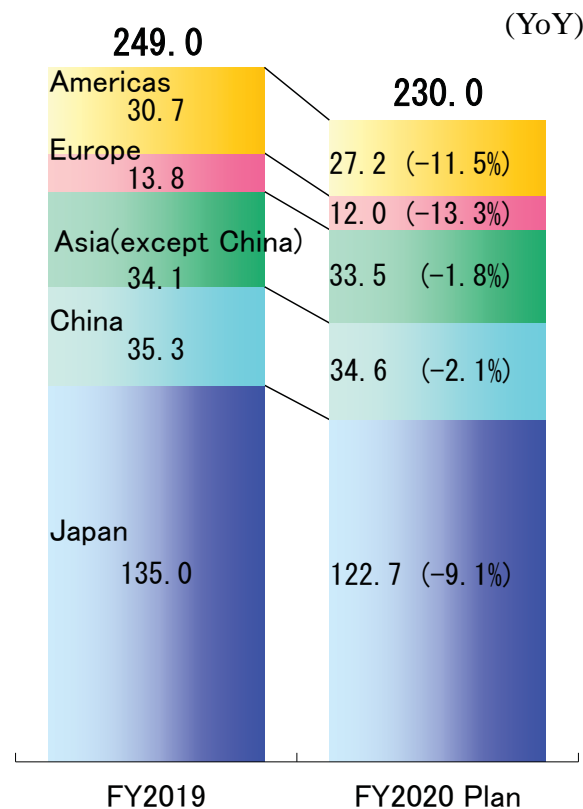
(Sales by Business Segment)

(Sales by Region)

(Billion JPY)



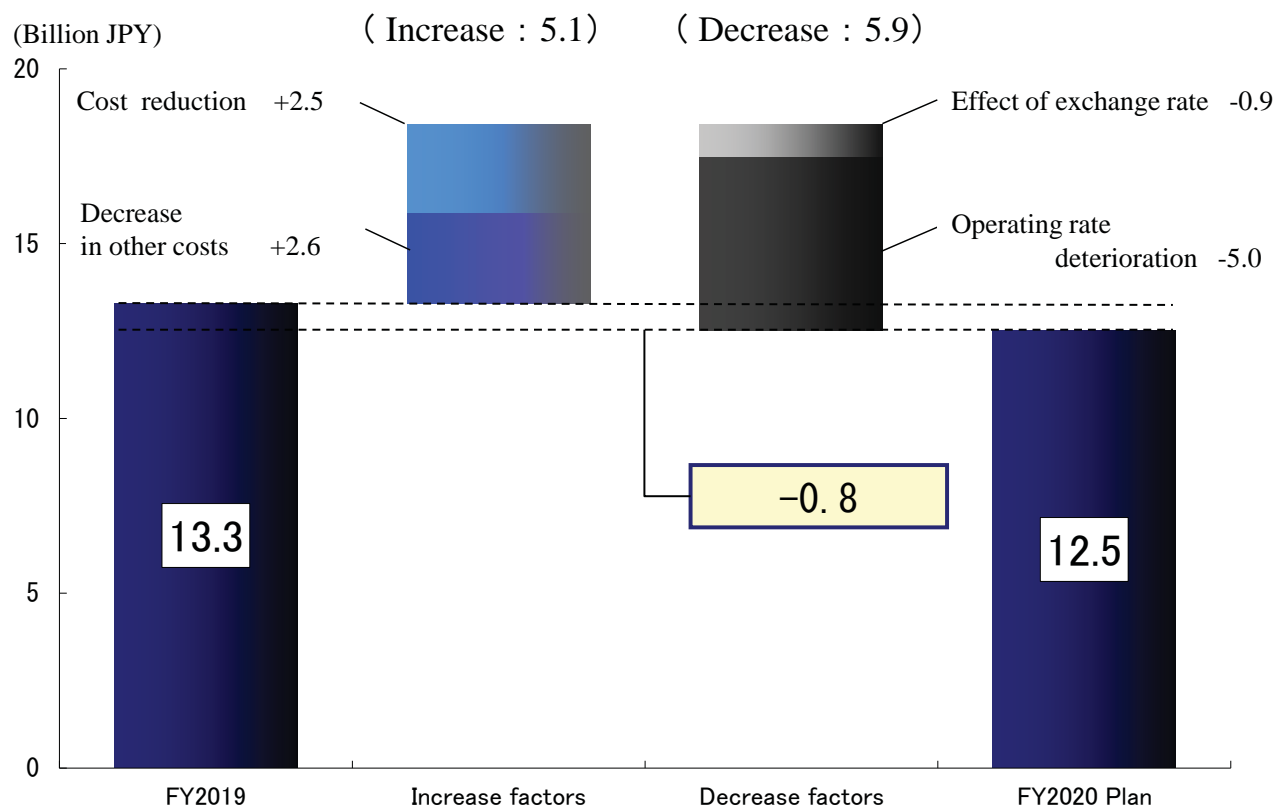
(YoY)



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Causes of Changes in Operating Income (FY2020 Plan)

FY2020e



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Sales and Operating Income by Business Segment (FY2020 Plan)

FY2020e

(Billion JPY)

		FY2019 (A)	FY2020 Plan (B)	Increase/ Decrease (B) - (A)
Machinery & Tools	Cutting Tools	34.5	34.5	(±0.0%) ±0
	Machine Tools	22.5	15.0	(-33.4%) -7.5
	Robots	30.7	31.0	(+0.9%) +0.2
	Net Sales	87.7	80.5	(-8.3%) -7.2
	Operating Income	(7.0%) 6.1	(8.0%) 6.4	(+4.9%) +0.3
Components	Bearings	77.2	73.5	(-4.8%) -3.7
	Hydraulic Equipment	65.8	61.0	(-7.4%) -4.8
	Net Sales	143.0	134.5	(-6.0%) -8.5
	Operating Income	(3.8%) 5.4	(3.9%) 5.2	(-4.7%) -0.2
Others	Net Sales	18.2	15.0	(-18.0%) -3.2
	Operating Income	(9.5%) 1.7	(6.0%) 0.9	(-48.3%) -0.8
Total Net Sales		249.0	230.0	(-7.7%) -19.0
Total Operating Income		(5.4%) 13.3	(5.4%) 12.5	(-6.4%) -0.8

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Management Strategy

Outline of FY2020 Plan

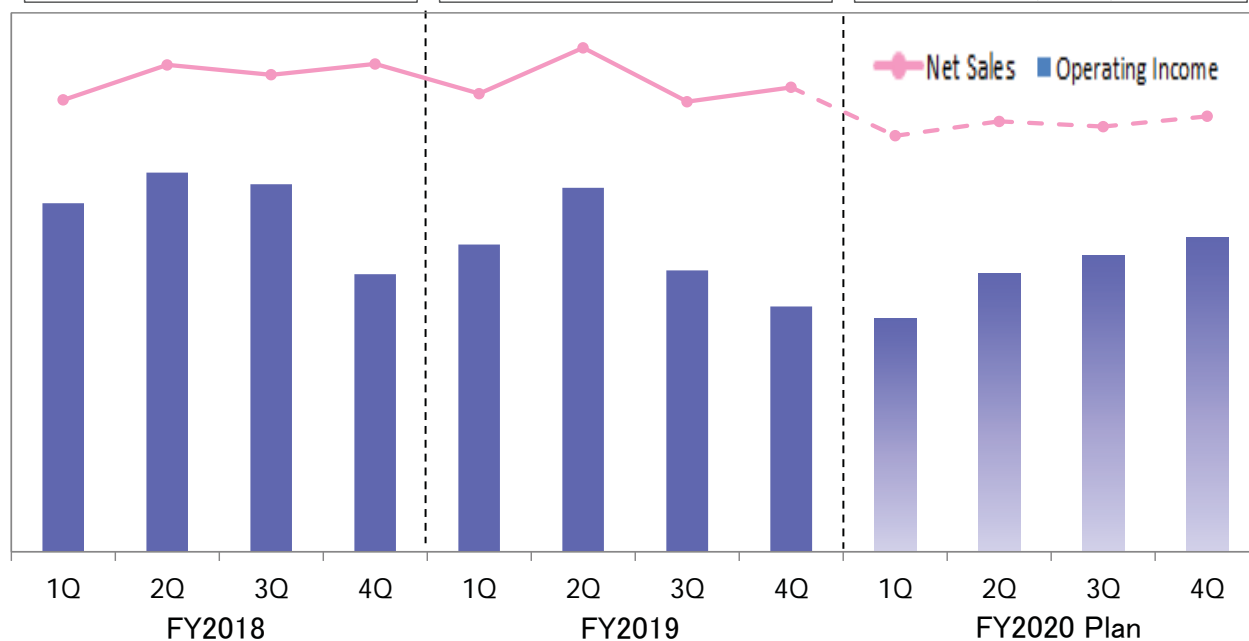
Management Strategy

Market view

Automobile : Decrease of sales and production, restrain of capacity investment
 - Low level of the demand for industrial machine

(Billion JPY)

Net Sales	252.2	Net Sales	249.0	Net Sales	230.0
Operating Income	(6.1%) 15.3	Operating Income	(5.4%) 13.3	Operating Income	(5.4%) 12.5



Reducing the cost rate

Rationalization and flexible manpower line

Reducing the cost of materials and outside manufacturing thoroughly

Starting mass production at Robot factory 3



- Reinforcing production capacity by two and a half times before
- Start up unmanned lines

Robot factory 3

Securing and Increasing Orders①

Responding rationalization and automation

Series of compact robots



MZ01

MZ04

MZ07

MZ12

MZ25

Scara Robot

Deburring Cell

Responding energy saving and improving productivity



Energy-Saving Unit NSPi



Power Meister



AquaREVO Drills



AquaREVO Mills

Responding the shift to EVs and autonomous cars



Actuators

Start up Automotive Hydraulics Factory 4

- Automated and utilizing IoT at production line



Vane pump



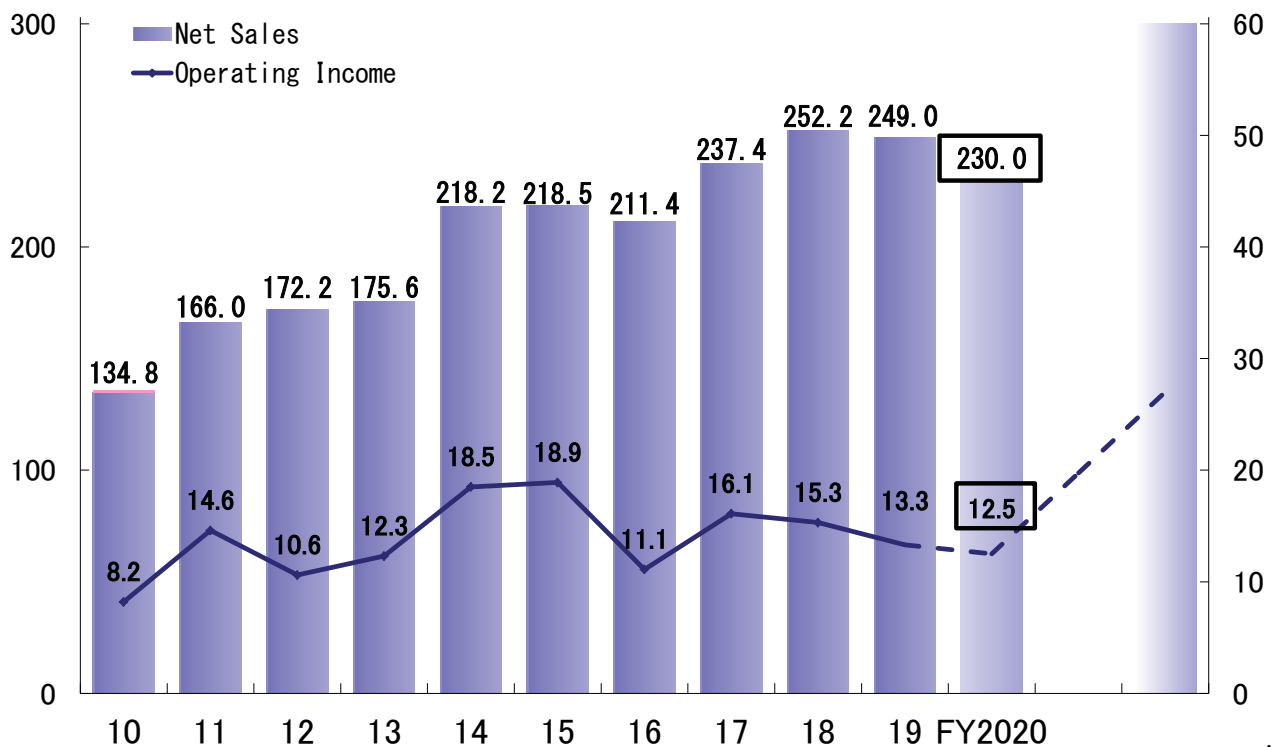
Automotive Hydraulics Factory 4

Promoting Structural Reform

(Return to growth path)

Net Sales(Billion JPY)

Operating Income(Billion JPY)



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