

Business Results

for the First Half of FY2021

July 14, 2021



Outline

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For the First Half of FY2021 | 2 ~ 7 |
| 2. Overview of the Business Forecast
for FY2021 | 8 ~ 16 |

Overview of the Business Results For the First Half of FY2021

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Results for the First Half of FY2021

1H Actual

(Billion JPY)

	FY2020 1H(A)	FY2021 1H(B)	Increase/ Decrease (B) – (A)
Net Sales	103.7	112.0	(+8.0%) +8.3
Operating Income	(2.5%) 2.6	(5.7%) 6.4	(+144.1%) +3.8
Ordinary Income	(1.5%) 1.6	(5.8%) 6.5	(+304.9%) +4.9
Net Income	0.4	4.4	(+903.4%) +4.0
Exchange rate (USD) (Euro) (RMB)	JPY 108 JPY 119 JPY 15.4	JPY 106 JPY 128 JPY 16.4	2 JPY appreciation 9 JPY depreciation 1.0 JPY depreciation

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Consolidated Financial Data

1H Actual

(Billion JPY)

	FY2020 1H (A)	FY2021 1H (B)	Increase/ Decrease (B) – (A)
ROE	0.8%	7.5%	+6.7pt
Total Assets	304.4	305.3	+0.9
Stockholder's Equity (Stockholder's Equity Ratio)	(36.7%) 111.6	(40.2%) 122.8	+11.2
Interest-bearing Debt (Net D/E Ratio)	(0.63) 110.6	(0.44) 92.1	-18.5
Capacity Investment	7.1	5.9	-1.2
Depreciation and Amortization	8.4	8.3	-0.1
Number of Employees (persons)	7,301	7,282	-19

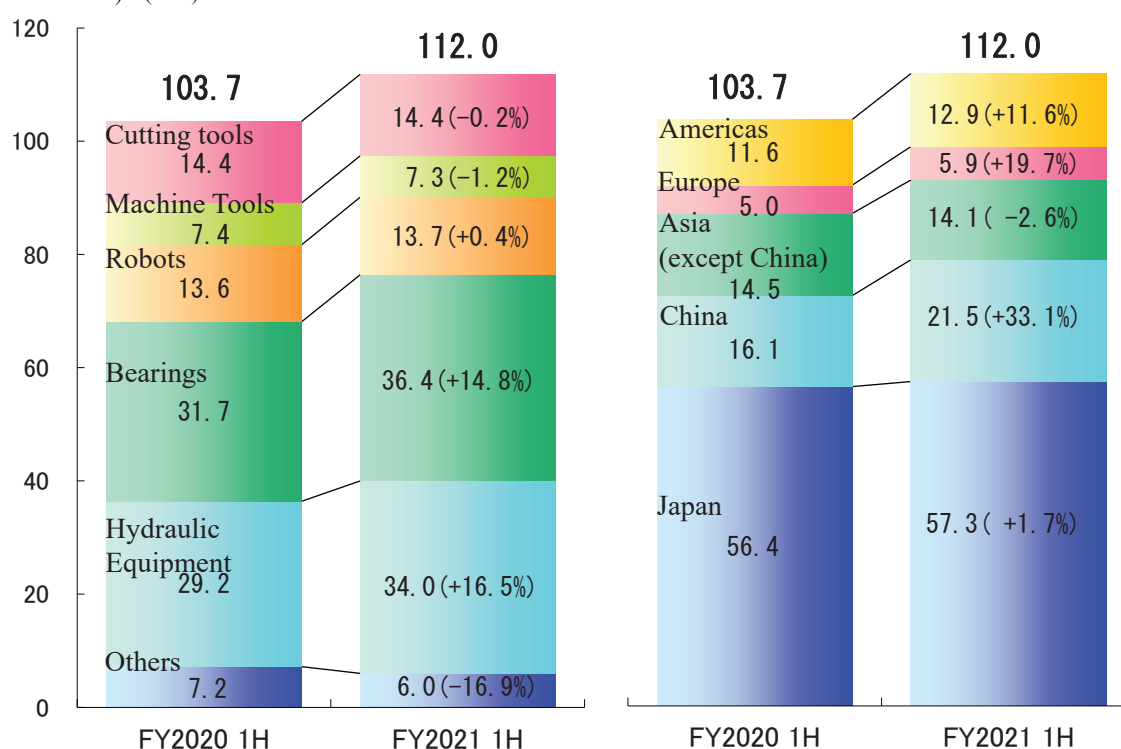
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Sales by Business Segment and Region

1H Actual

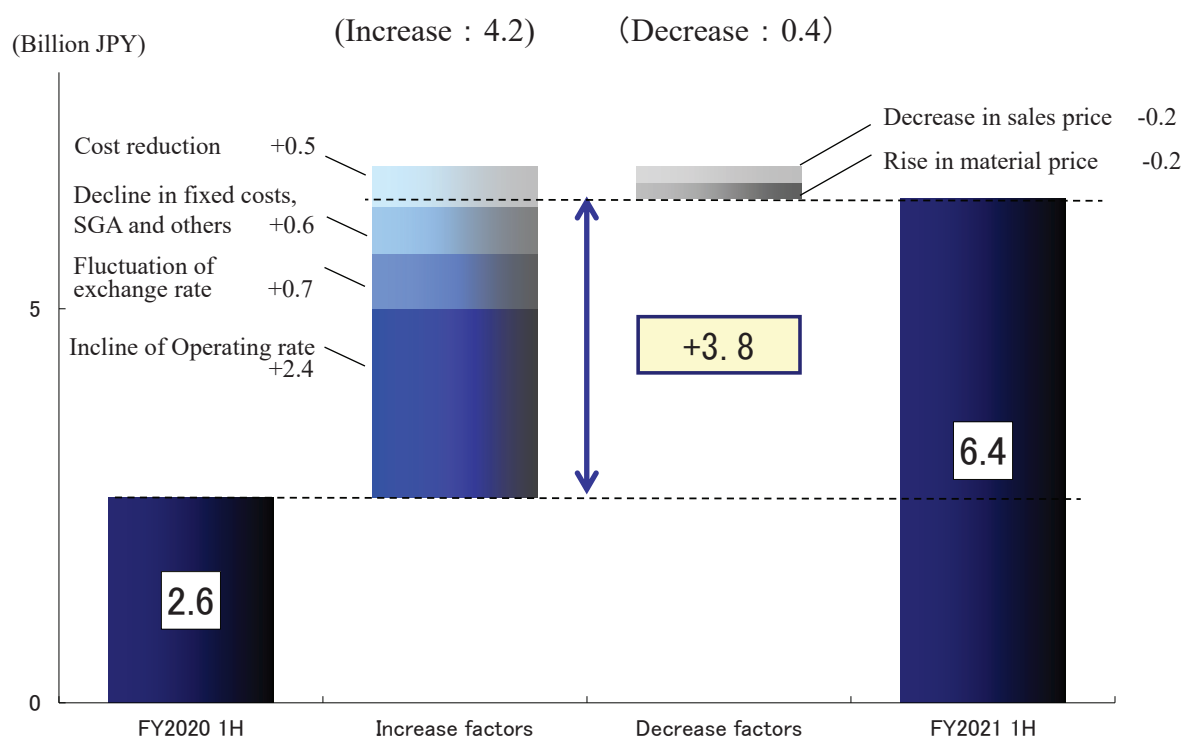
(Sales by Business Segment)
(Billion JPY) (YoY)

(Sales by Region)



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Causes of Changes in Operating Income 1H Actual



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Sales and Operating Income by Business Segment 1H Actual

(Billion JPY)

		FY2020 1H (A)	FY2021 1H (B)	Increase/ Decrease (B) – (A)
Machinery & Tools	Cutting Tools	14.4	14.4	(-0.2%) -0.0
	Machine Tools	7.4	7.3	(-1.2%) -0.1
	Robots	13.6	13.7	(+0.4%) +0.1
	Net Sales	35.6	35.5	(-0.2%) -0.1
	Operating Income	(3.3%) 1.1	(5.0%) 1.7	(+54.1%) +0.6
Components	Bearings	31.7	36.4	(+14.8%) +4.7
	Hydraulic Equipment	29.2	34.0	(+16.5%) +4.8
	Net Sales	60.9	70.4	(+15.6%) +9.5
	Operating Income	(1.7%) 1.0	(6.6%) 4.6	(+356.9%) +3.6
Others	Net Sales	7.2	6.0	(-16.9%) -1.2
	Operating Income	(5.7%) 0.4	(-0.8%) -0.0	-0.4
Total Net Sales		103.7	112.0	(+8.0%) +8.3
Total Operating Income		(2.5%) 2.6	(5.7%) 6.4	(+144.1%) +3.8

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Overview of the Business Forecast for FY2021

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Consolidated Financial Highlights

FY2021e

(Billion JPY)

	FY2020 (A)		FY2021 Plan (B)		Increase/ Decrease (B) – (A)
Net Sales	201.0		225.0		(+11.9%) +24.0
Operating Income	(3.4%)	6.8	(6.0%)	13.5	(+97.1%) +6.6
Ordinary Income	(2.7%)	5.5	(5.9%)	13.2	(+139.6%) +7.7
Net Income	2.4		9.0		(+266.1%) +6.6
Exchange rate (USD) (Euro) (RMB)	JPY 107 JPY 121 JPY 15.4		JPY 107 JPY 128 JPY 16.5		– 7 JPY depreciation 1.1 JPY depreciation
Cash Dividends	JPY 50		JPY 100		+50 JPY

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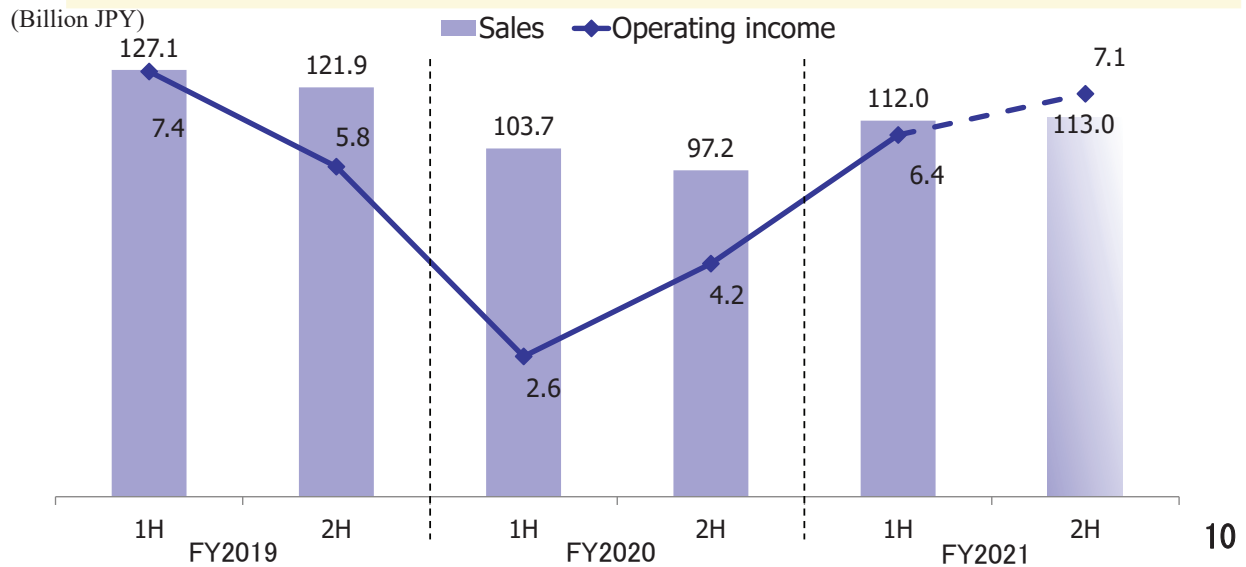
Trend of business results every half year FY2021e

(Topics)

FY2019 2H : In third quarter hit the bottom, from the fourth quarter recovered slowly because of an increase of car production

FY2020 1H : From the second quarter the recovery of industrial machine and commercial product changed steadily

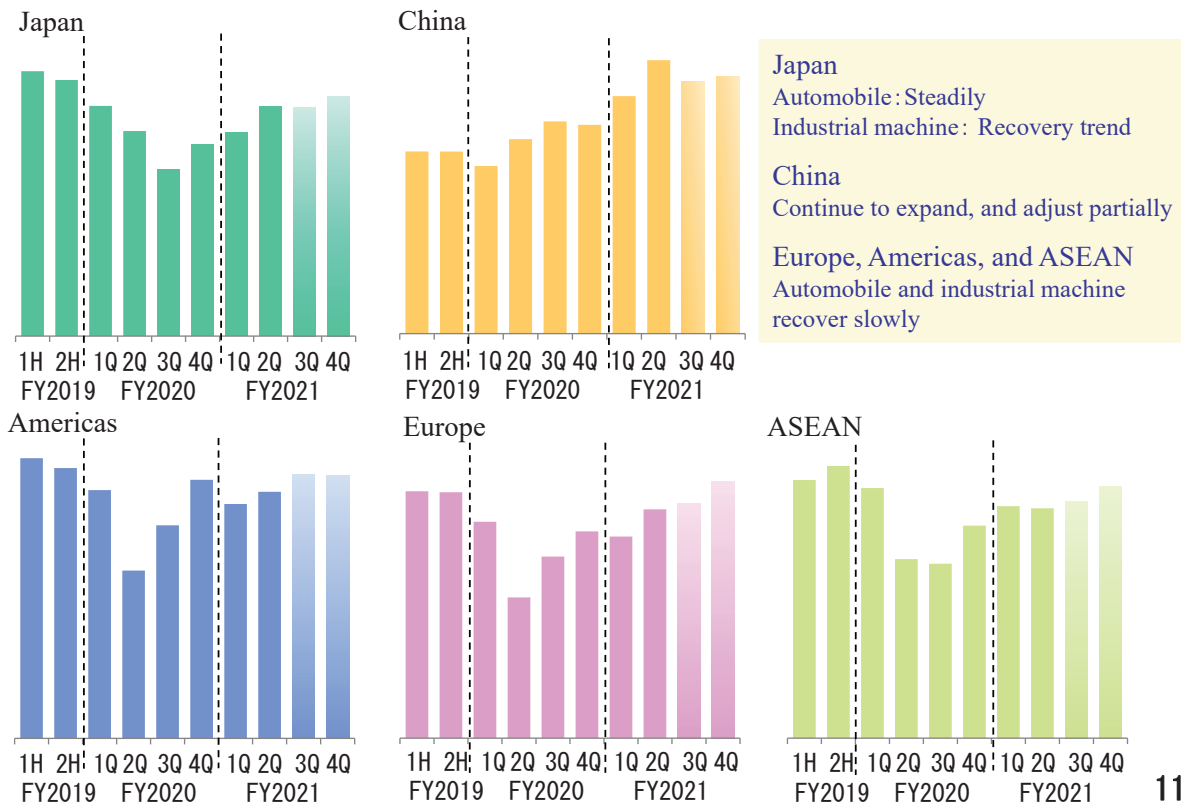
FY2020 2H : Continue to recover slowly



Trends of the demand①

FY2021e

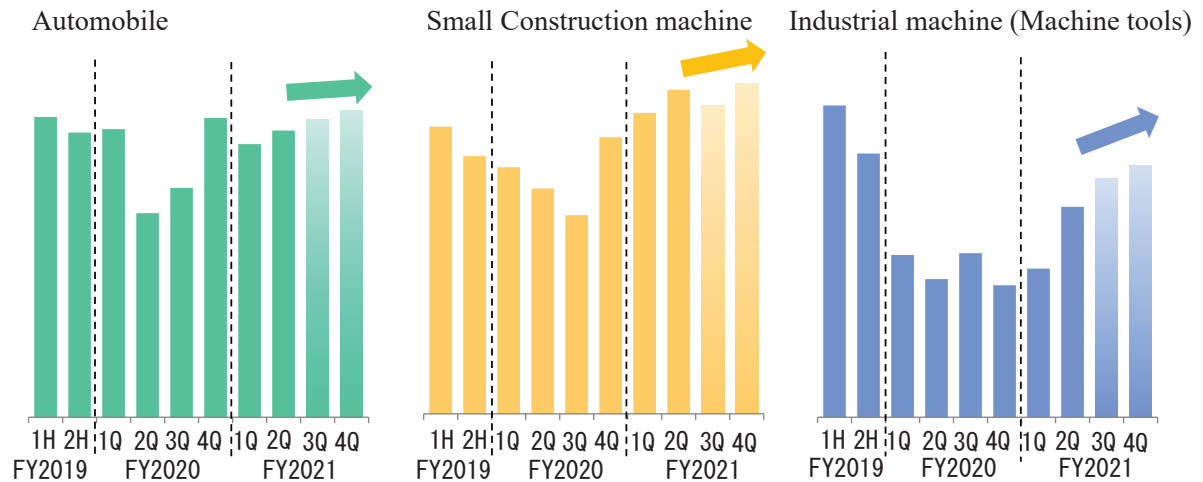
(Trends by Region)



Trends of the demand②

FY2021e

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



(Trends of main industries)

Automobile : It will steadily go mainly by Japanese companies.
We should focus on shortage of semiconductor

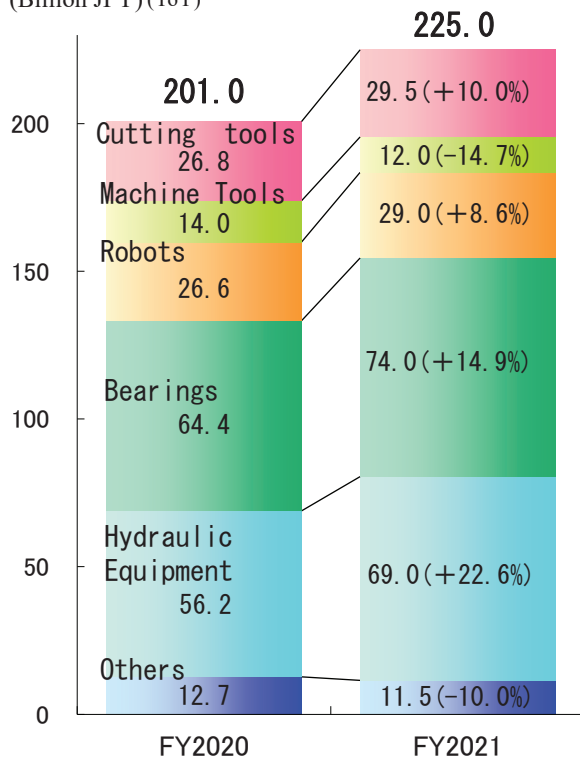
Construction machine : The demand will expand mainly in China and Europe, Americas

Industrial machine : Electrical and electronics, Car component will recover 12

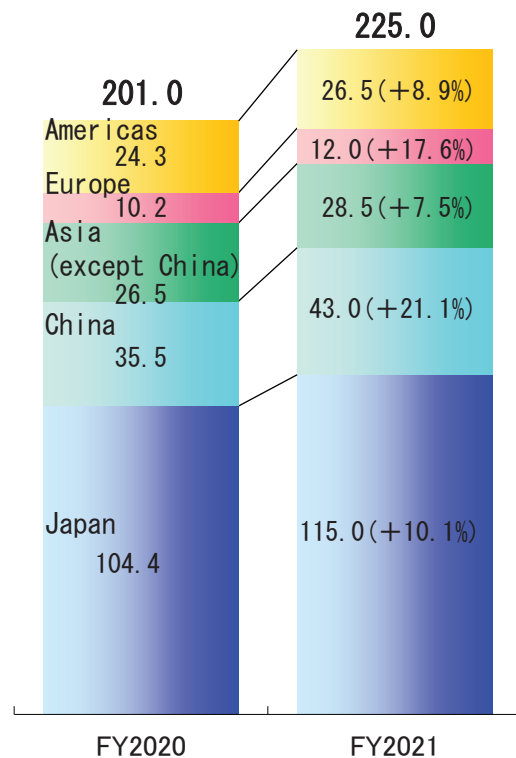
Sales by Business Segment and Region

FY2021e

(Sales by Business Segment)
(Billion JPY)(YoY)



(Sales by Region)



Sales and Operating Income by Business Segment

FY2021e

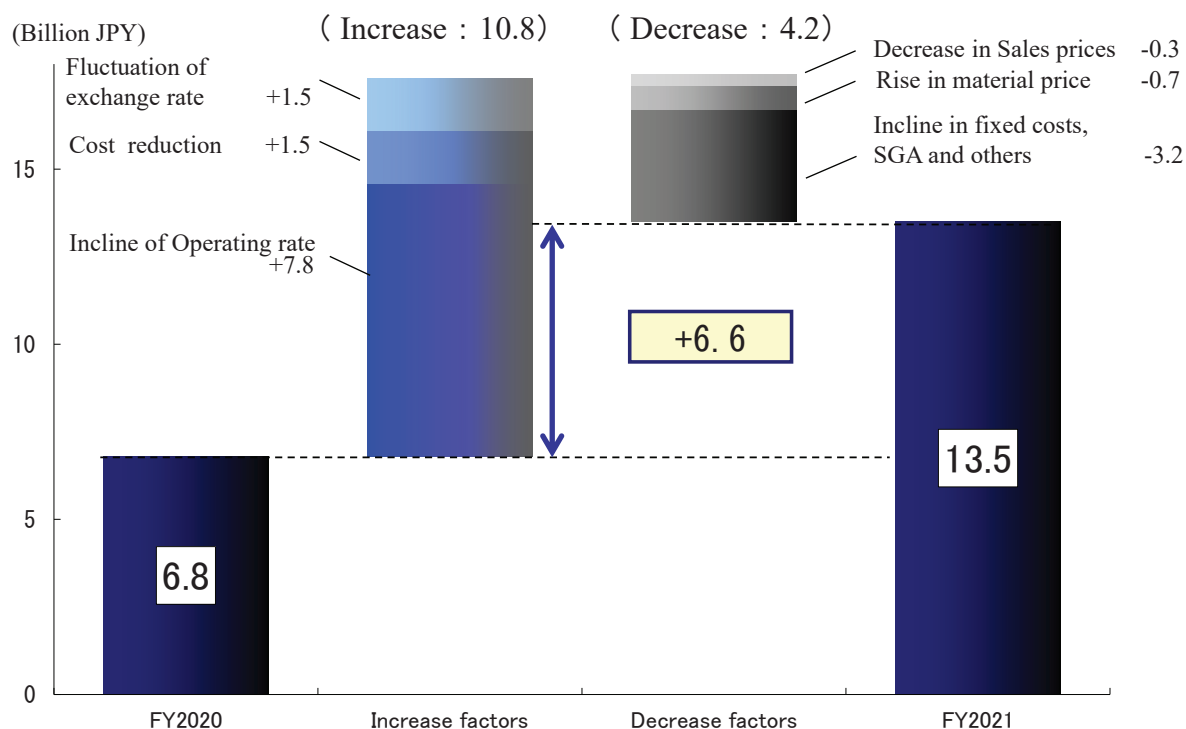
(Billion JPY)

		FY2020 (A)	FY2021 Plan (B)	Increase/ Decrease (B) – (A)	
Machinery & Tools	Cutting Tools	26.8	29.5	(+10.0%)	+2.7
	Machine Tools	14.0	12.0	(-14.7%)	-2.0
	Robots	26.6	29.0	(+8.6%)	+2.4
	Net Sales	67.5	70.5	(+4.3%)	+3.0
	Operating Income	(3.7%) 2.5	(5.0%) 3.5	(+39.5%)	+1.0
Components	Bearings	64.4	74.0	(+14.9%)	+9.6
	Hydraulic Equipment	56.2	69.0	(+22.6%)	+12.8
	Net Sales	120.6	143.0	(+18.5%)	+22.4
	Operating Income	(3.1%) 3.6	(7.0%) 10.0	(+171.1%)	+6.4
Others	Net Sales	12.7	11.5	(-10.0%)	-1.2
	Operating Income	(4.5%) 0.5	(0.0%) 0.0	(-100.0%)	-0.5
Total Net Sales		201.0	225.0	(+11.9%)	+24.0
Total Operating Income		(3.4%) 6.8	(6.0%) 13.5	(+97.1%)	+6.6

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Causes of Changes in Operating Income

FY2021e



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Consolidated Financial Data

FY2021e

(Billion JPY)

	FY2020 (A)	FY2021 Plan (B)	Increase/ Decrease (B) – (A)
ROE	2.1%	7.5%	+5.4pt
Total Assets	293.0	307.5	+14.5
Stockholder's Equity (Stockholder's Equity Ratio)	(39.9%) 116.8	(40.5%) 124.5	+7.7
Interest-bearing Debt (Net D/E Ratio)	(0.55) 103.1	(0.46) 94.0	-9.1
Capacity Investment	12.5	17.0	+4.5
Depreciation and Amortization	16.9	17.0	+0.1
Number of Employees (persons)	7,242	7,300	+58

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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.

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