

FY2011 Interim Business Report

July 12, 2011

NACHI 株式会社 不二越

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FY2011

Overview of Interim Results

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FY2011 Summarized Overview of Results **2011 Interim**

○ Profit-and-loss statement

(Units: 100 mil yen)

	FY2010 Interim (A)		FY2011 Interim (B)		Increase/Decrease (Proportion) (B) – (A)	
Net Sales	615		789		(+28.3%)	+174
Operating Income	(5.0%)	30	(9.1%)	71	(2.3X)	+41
Ordinary Income	(3.7%)	22	(8.0%)	63	(2.8X)	+40
Extraordinary profit		0		0		0
Extraordinary loss		0		1		+1
Net Income		18		51	(2.8X)	+33

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B/S • Management Index

2011 Interim

(Units: 100 mil yen)

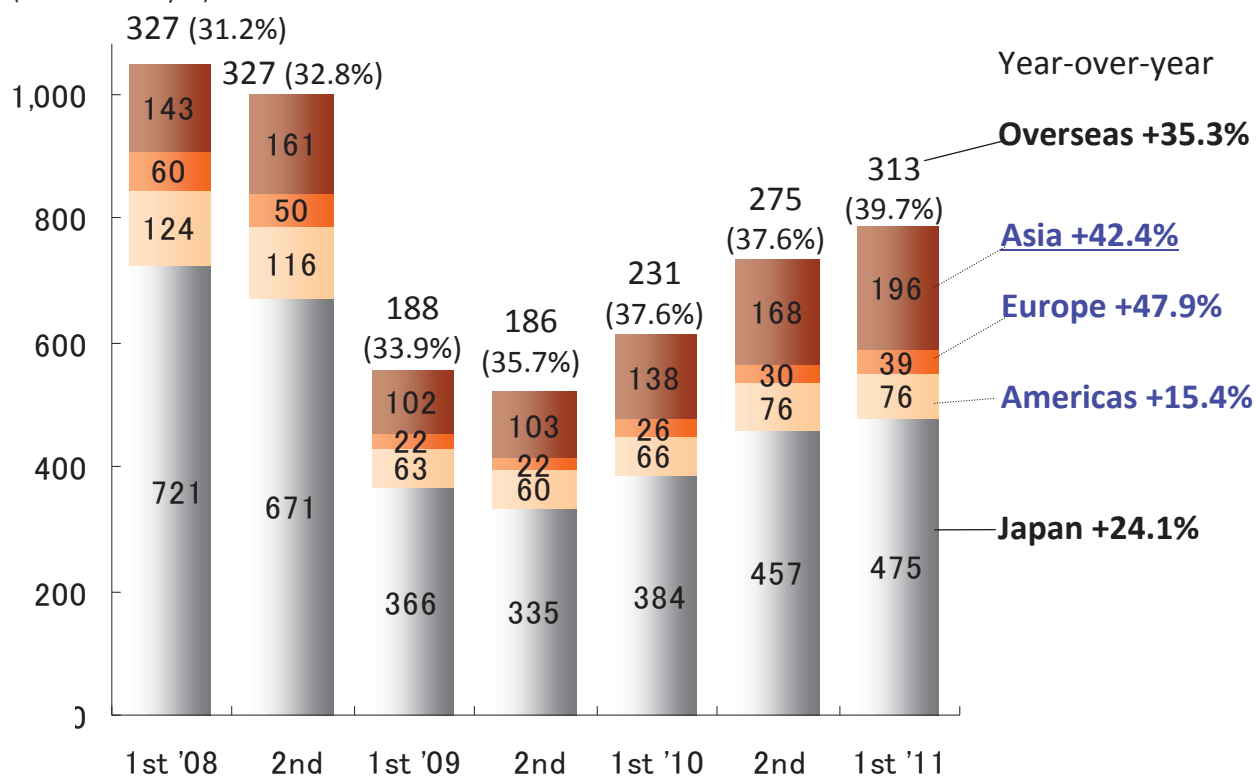
	FY2010 Interim (A)	FY2011 Interim (B)	Increase/ Decrease (B) – (A)
Total assets	1,779	1,813	–33
Owned capital (capital ratio)	(27.8%) 495	(31.2%) 566	+ 71
Interest-bearing liabilities (net D/E ratio)	(1.0X) 806	(0.8X) 652	–154
Free cash flow	83	32	–50
Capital investment	27	52	+24
Depreciation cost	45	46	0
Employees	5,374 jobs	5,601 jobs	+227 jobs
Exchange rate (USD) (EUR)	90 yen 129 yen	82 yen 112 yen	+8 yen +17 yen

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Sales by Region

2011 Interim

(Units: 100 mil yen)

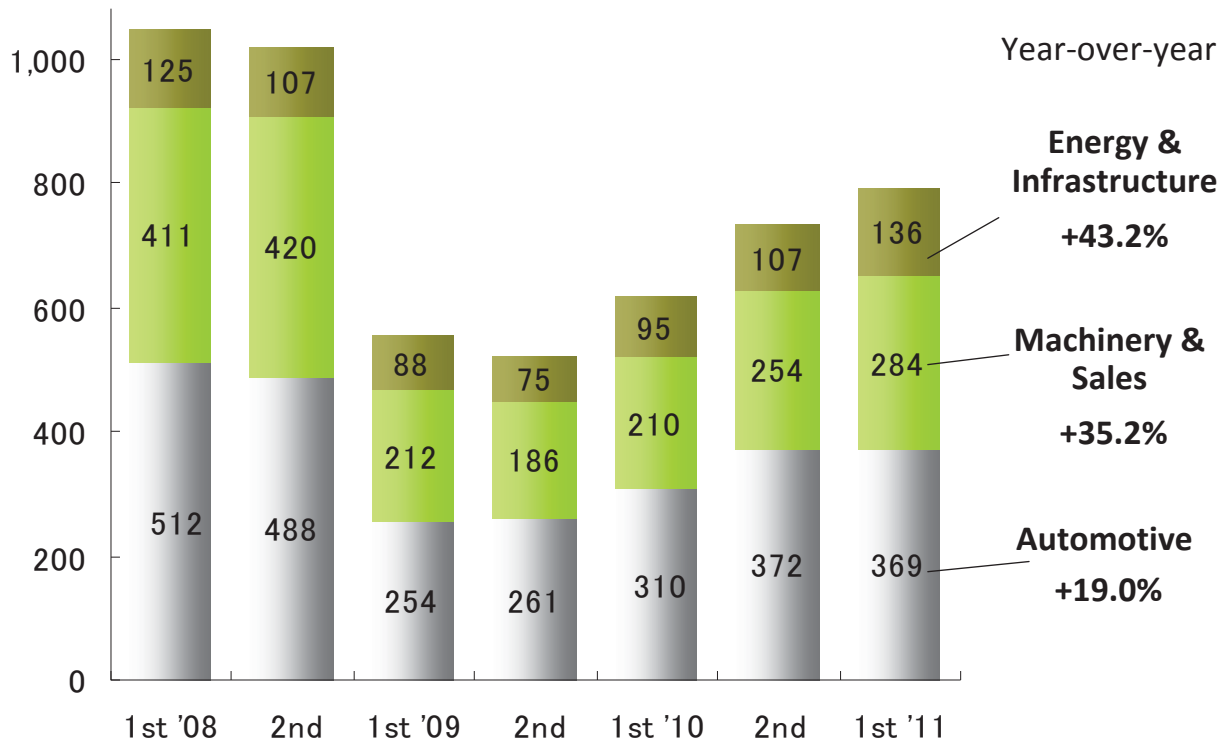


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Sales by Market Segment

2011 Interim

(Units: 100 mil yen)

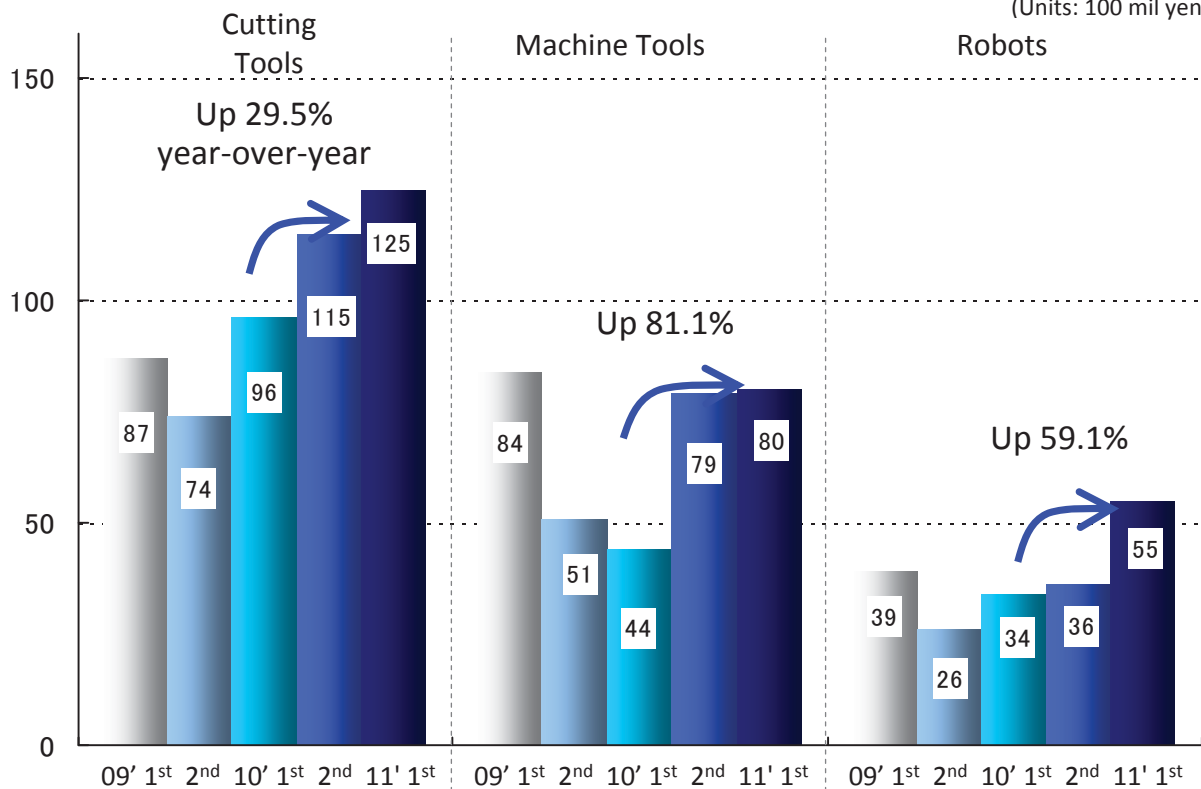


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Sales by Business (Machinery & Tools)

2011 Interim

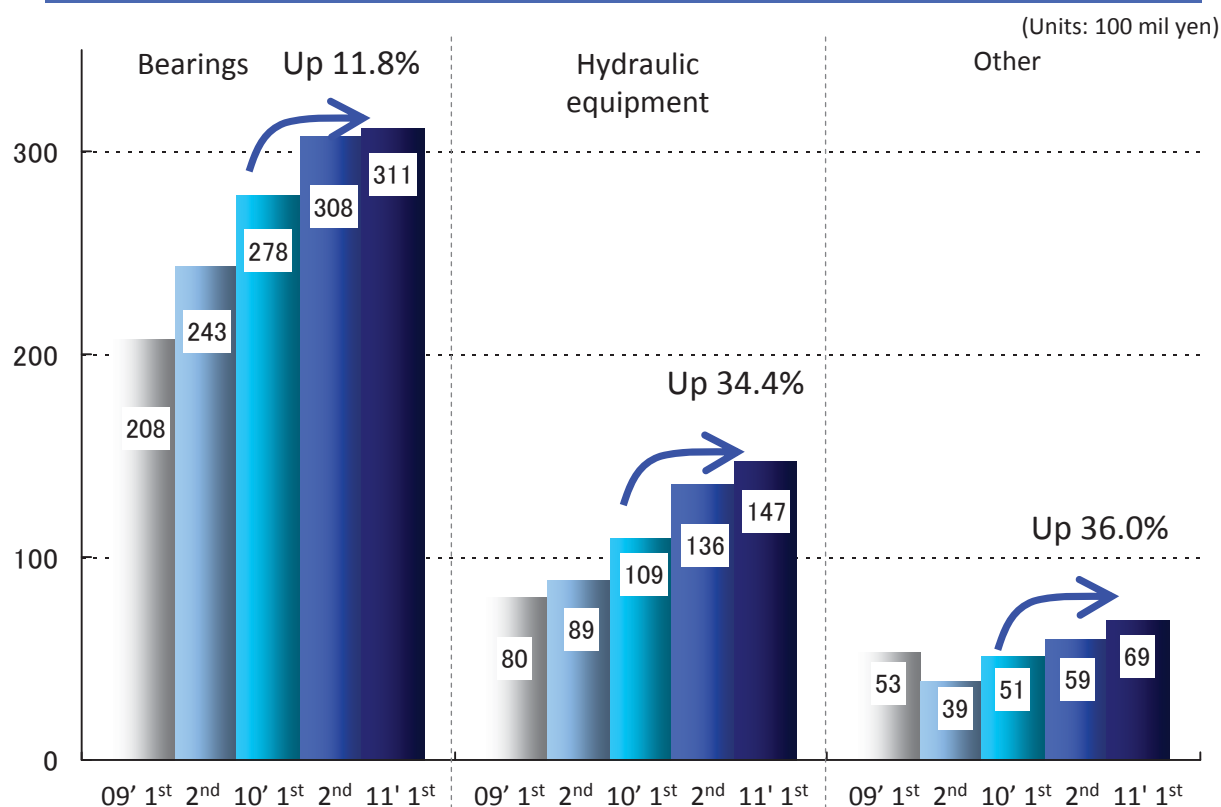
(Units: 100 mil yen)



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Sales by Business (Parts, Materials, Other)

2011 Interim



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Sales & Operating Profit by Business Segment

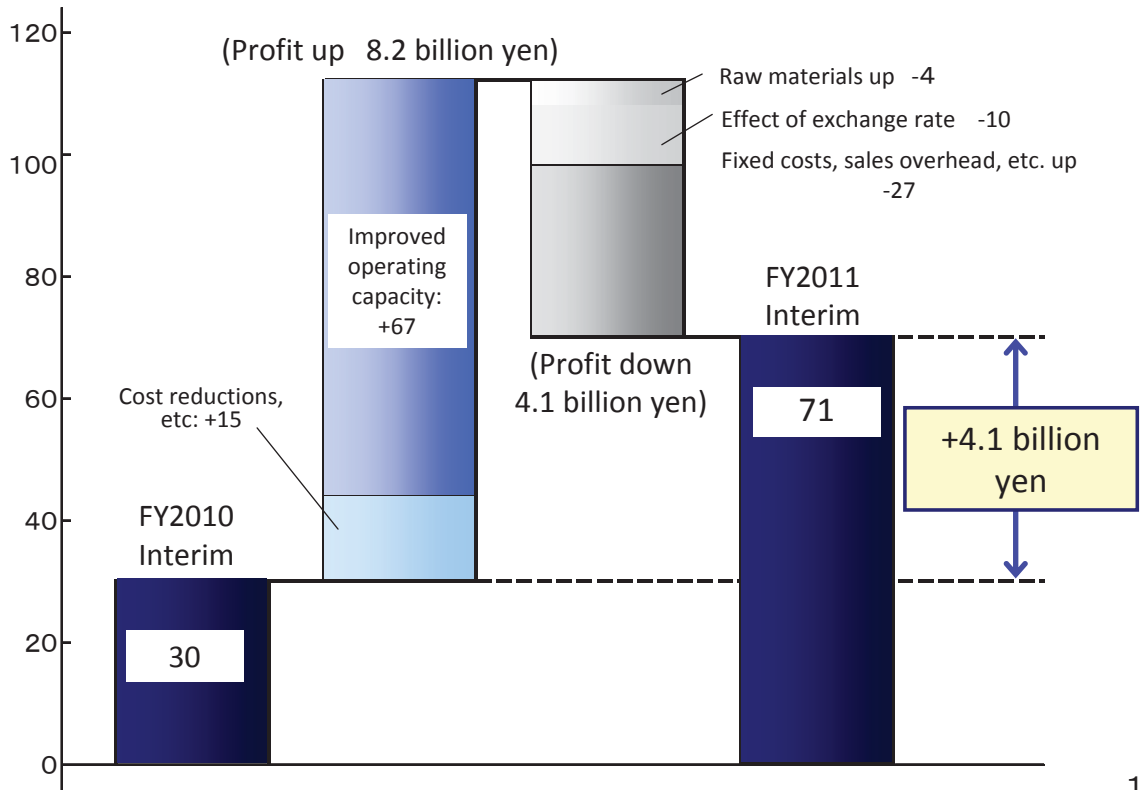
2011 Interim

(Units: 100 mil yen)

	FY2010 Interim (A)	FY2011 Interim (B)	Increase/Decrease (%) (B) - (A)
Tools & Machines			
Net Sales	175	260	(+48.4%) +84
Operating Income	(-0.8%) -1	(8.0%) 20	- +22
Components			
Net Sales	388	459	(+18.2%) +70
Operating Income	(7.1%) 27	(8.9%) 41	(+48.4%) +13
Materials & Others			
Net Sales	51	69	(+36.0%) +18
Operating Income	(8.3%) 4	(14.2%) 9	(2.3X) +5
Total Net Sales	615	789	(+28.3%) +174
Total Operating Income	(5.0%) 30	(9.1%) 71	(2.3X) +41

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(Units: 100 mil yen)



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FY2011 Full Year Forecast

FY2011 Full Year Earnings Forecast

FY2011 Full Year

(Units: 100 mil yen)

	FY2010 Full Year (A)		FY2011 Full Year Forecast (B)		Increase/Decrease (Proportion) (B) – (A)	
Net Sales	1,348		1,650		(+22.4%)	+301
Operating Income	(6.1%)	82	(9.1%)	150	(+81.9%)	+67
Ordinary Income	(4.8%)	64	(7.9%)	130	(2.0X)	+65
Extraordinary profit	12		0		-11	
Extraordinary loss	2		2		0	
Net income	55		100		(+79.8%)	+44

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B/S • Management Index

FY2011 Full Year

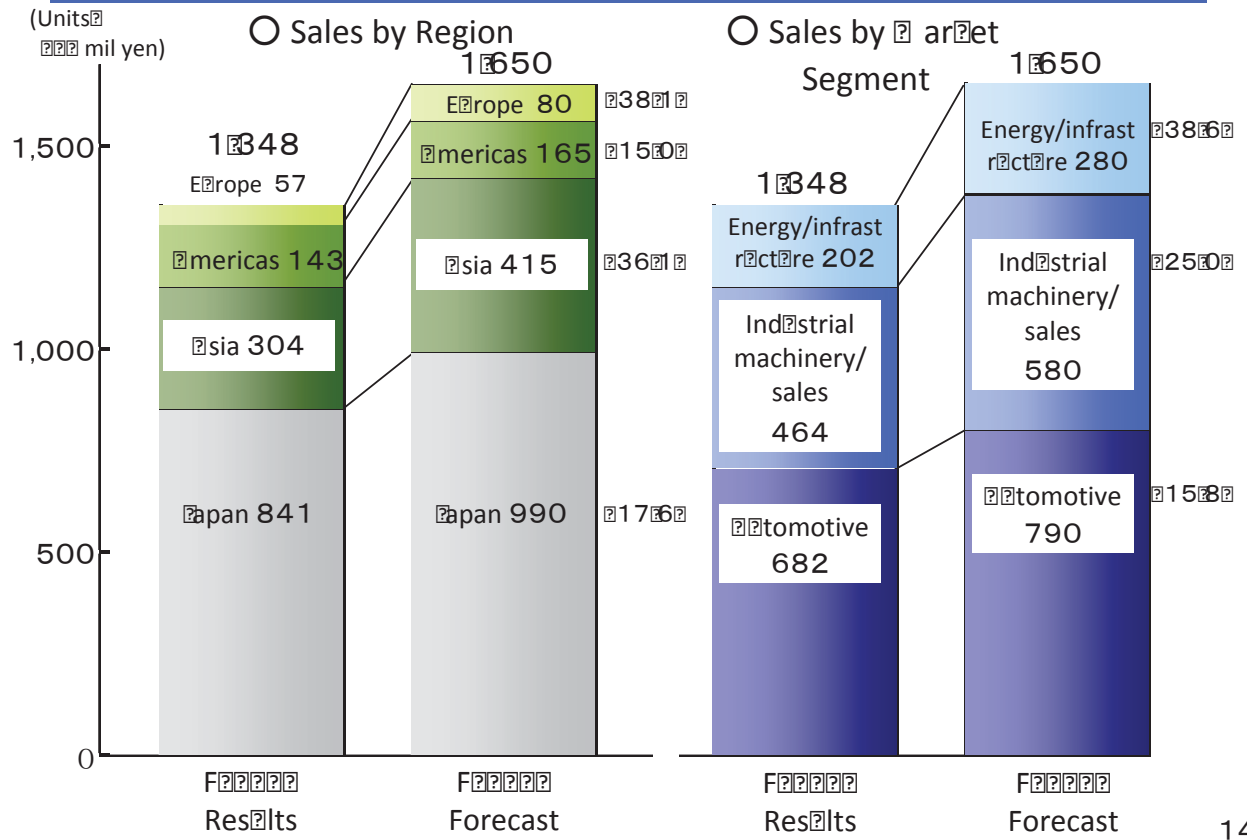
(Units: 100 mil yen)

	FY2010 Full Year (A)		FY2011 Full Year Forecast (B)		Increase/Decrease (B) – (A)	
Total assets	1,705		1,850		+144	
Owned capital (capital ratio)	(30.5%)	519	(33.0%)	610	+90	
Interest-bearing liabilities (net D/E ratio)	(0.9X)	639	(0.7X)	600	-39	
Free cash flow	147		60		-87	
Capital investment	57		100		+42	
Depreciation cost	92		95		+2	
Employees	5,491 jobs		5,700 jobs		+209 jobs	
Exchange rate (USD)	89 yen		83 yen		+6 yen	
(EUR)	121 yen		113 yen		+8 yen	

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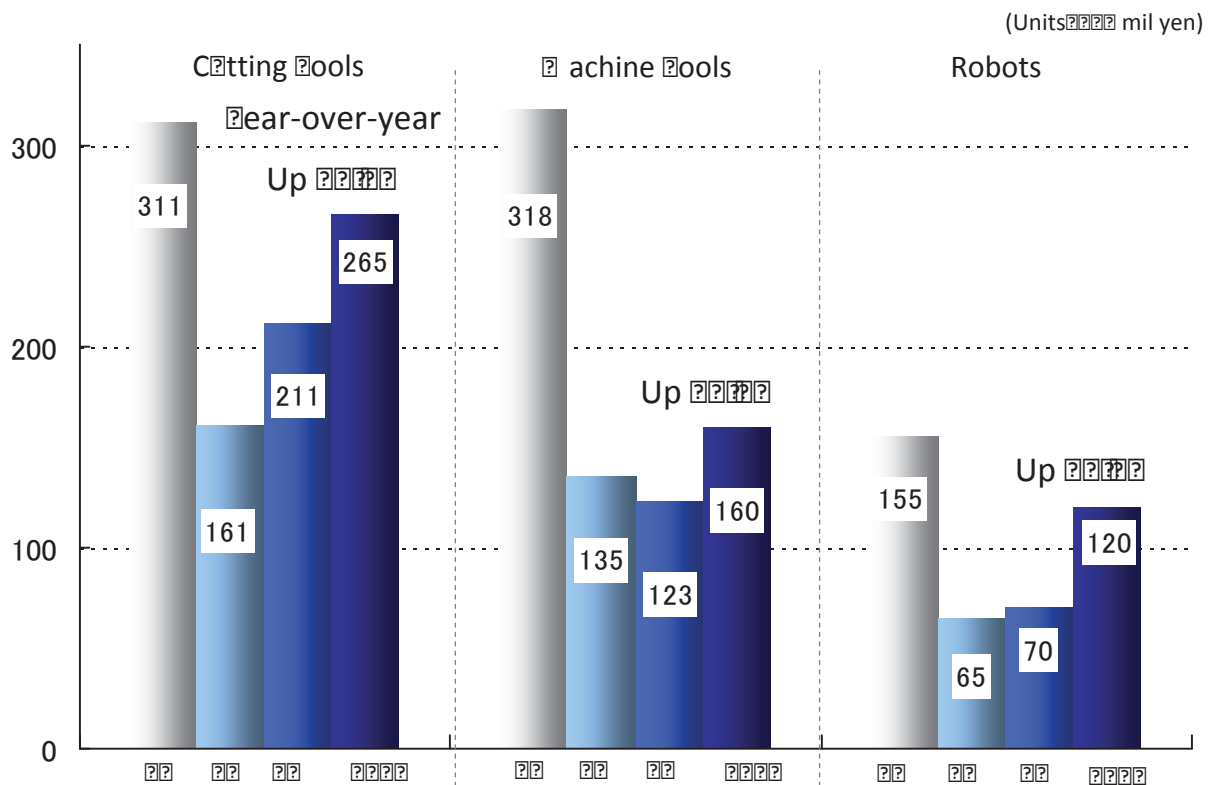
Sales by Region & Market Segment

FY2011 Full Year

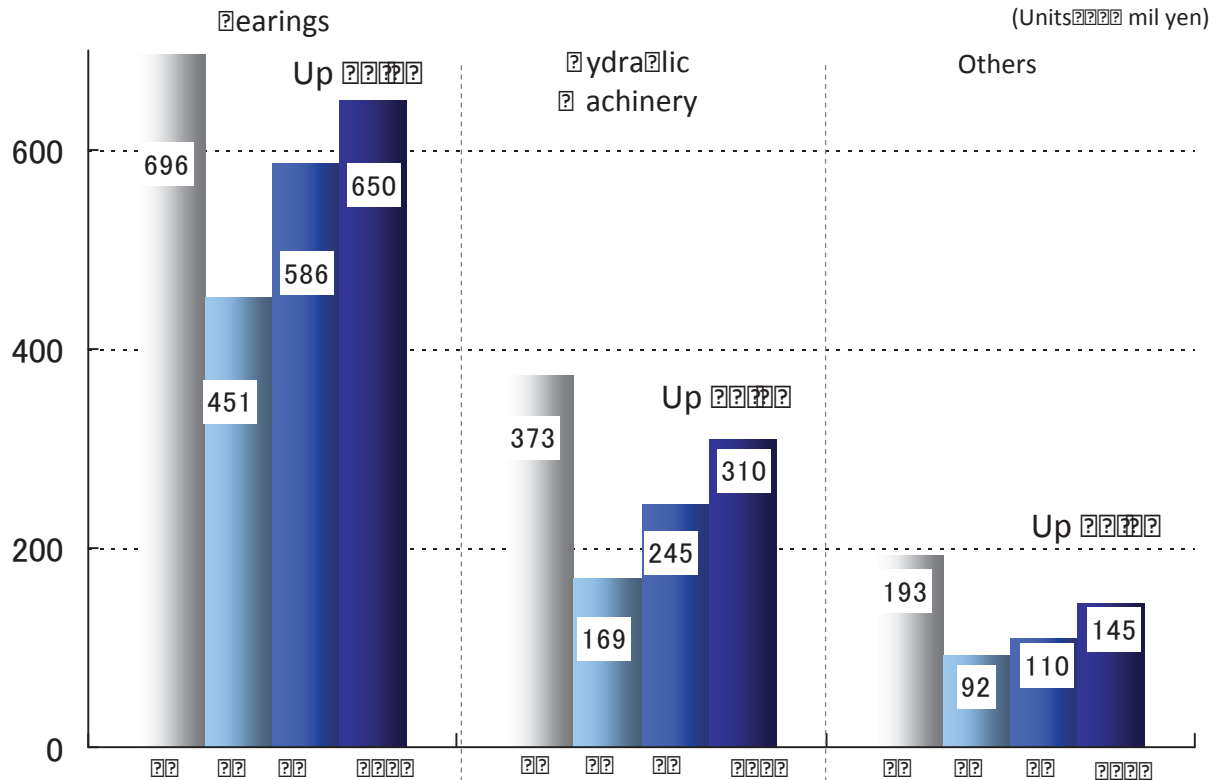


Sales by Business (Cutting Tools & Machines)

FY2011 Full Year



Sales by Business (Components Materials Other) FY2011 Full Year



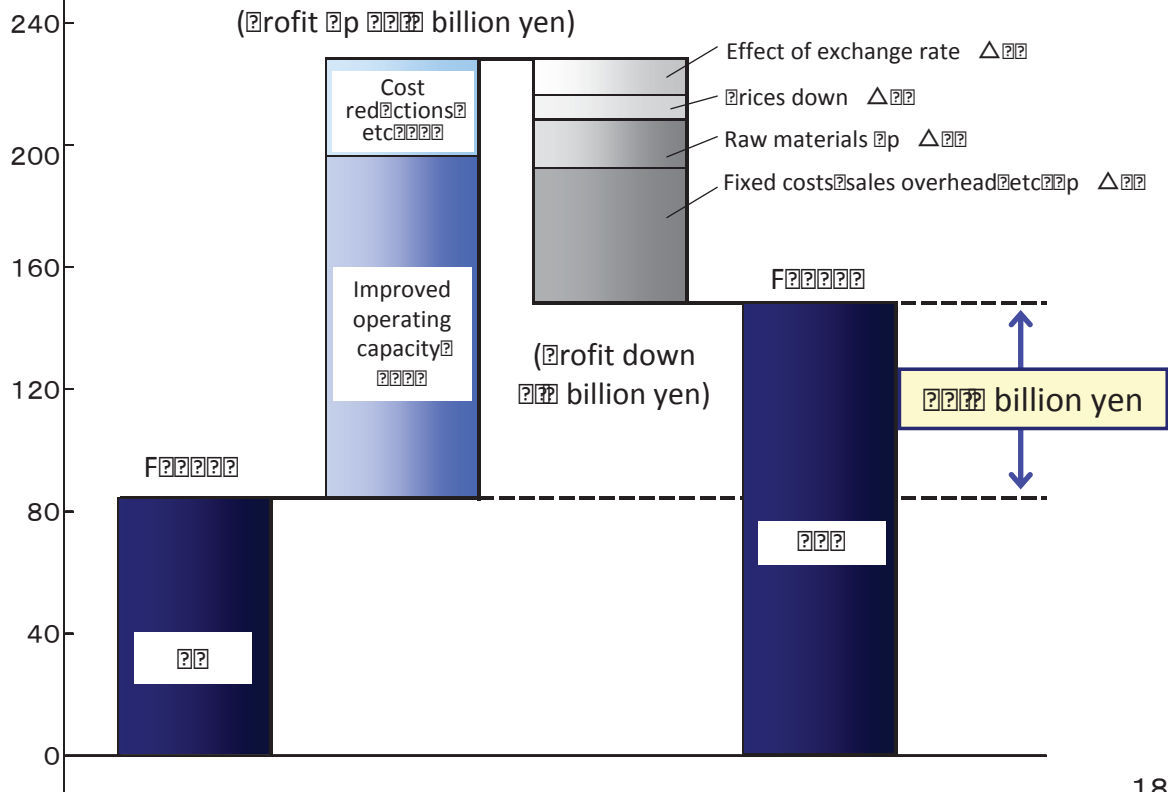
Net Sales Operating Income by Business Segment FY2011 Full Year

(Units: 100 mil yen)

	FY10	FY11	FY11 Forecast	Increase/Decrease
	(100 mil yen)	(100 mil yen)	(100 mil yen)	(100 mil yen)
Automotive				
Net Sales	404	545	545	(+341) +140
Operating Income	(132) 5	(83) 45	(83) 45	(27) +39
Construction				
Net Sales	832	960	960	(+128) +127
Operating Income	(77) 64	(89) 85	(89) 85	(+32) +20
Materials Other				
Net Sales	110	145	145	(+35) +34
Operating Income	(114) 12	(138) 20	(138) 20	(+58) +7
Total Net Sales	1348	1650	1650	(+224) +301
Total Operating Income	(61) 82	(9.1) 150	(9.1) 150	(+81) +67

Reasons for Increase/Decrease in Operating Income FY2011 Full Year

(Units: million yen)

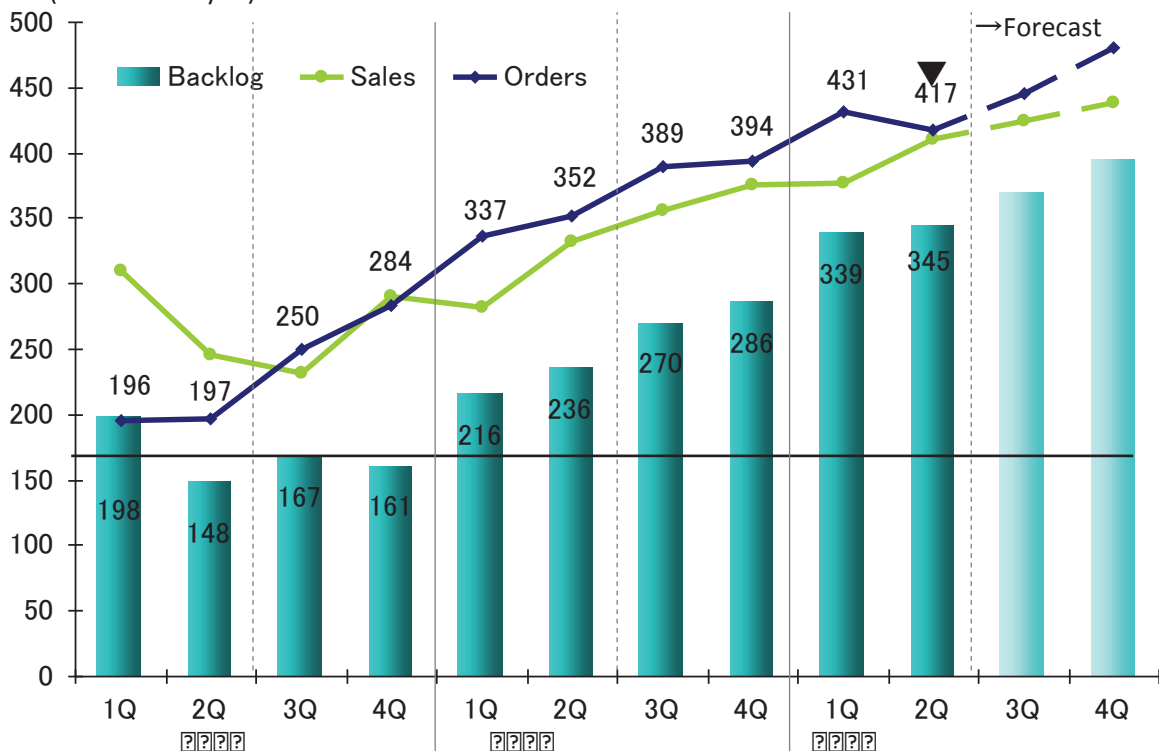


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Orders/Sales/Backlog by Quarter

FY2011 Full Year

Orders/Sales/Backlog
(Unit: million yen)



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Toward Achieving Our Mid-term Plan

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FY2011 Interim Results & Full Year Forecast

○ Profit-and-loss statement

(Units: mil yen)

	FY2011 Interim		FY2011 Full Year Forecast	
Net Sales		789		1,650
Operating Income	(9.1%)	71	(9.1%)	150
Ordinary Income	(8.0%)	63	(7.9%)	130
Extraordinary profit		0		0
Extraordinary loss		1		2
Net Income		51		100

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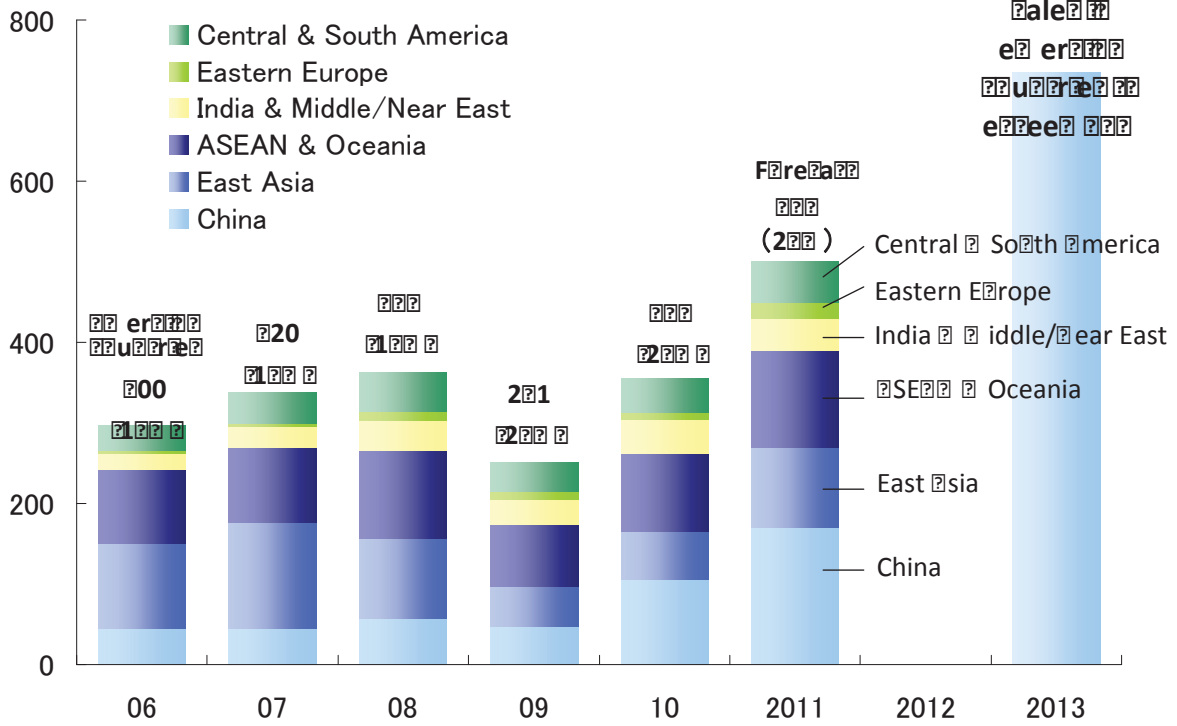
Expanding in Emerging Markets 1

Mid-term Plan

Net Sales

(Units mil yen)

Regional Sales Breakdown



Expanding in Emerging Markets 2

Mid-term Plan

Efforts in the Chinese Market

Strengthening Sales

- Increase local sales staff to 100
- Expand sales and service locations



- Pioneer manufacturers of construction and machine tools.

Hydraulic machinery → Expand products for Cutting tools & Machine, bearings, robots.



- Develop toward manufacturers of automobiles & automotive parts.

Machinery & tools → Develop for bearings, car control valves, robots.

Mid-term Shift to local production for main products.



CIMT: The China Int'l Machine Tool Show

Expanding in Emerging Markets

Mid-term Plan

Efforts in the Indian Marketplace

Full-Scale Deployment of Tools & Machines Business

- Begin local production of precision tools.
- Acquire Motherson Precision Ltd.
- Manesar New Delhi area
- Operations begin June 22.



- Increase deliveries to local, Japanese, and Western manufacturers.

Precision tools → Develop for machine tools, robots, bearings, etc.



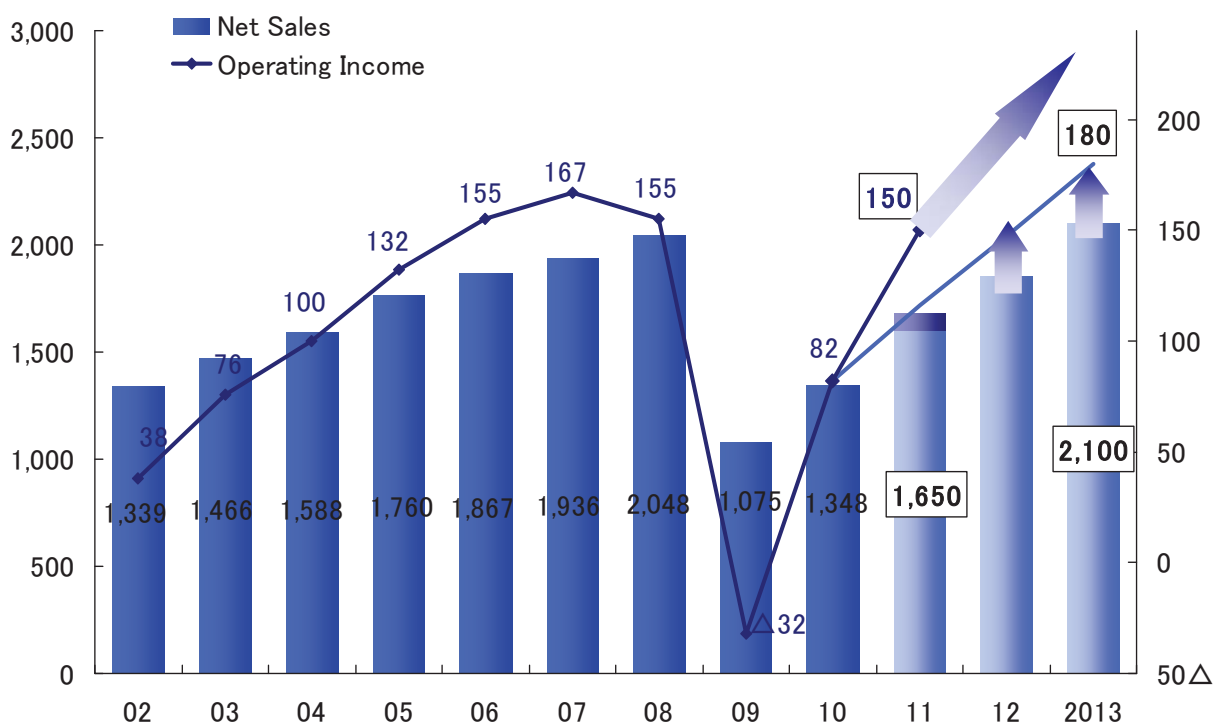
Mid-term Expand precision tool line-up, develop for parts business.

Mid-term Management Goals

Mid-term Plan

Net Sales Unit: 100 mil yen

Operating Income Unit: 100 mil yen



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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.