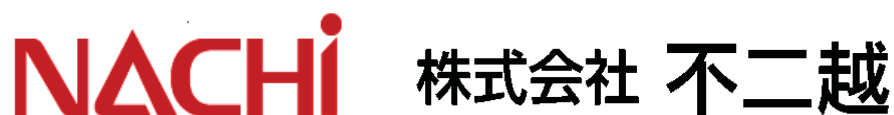


Financial Results for the Fiscal Year Ended November 30, 2013

Mid-term Business Plan for 2016

January 16, 2014



Contents

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FY2013 Results & FY2014 Forecasts

Overview

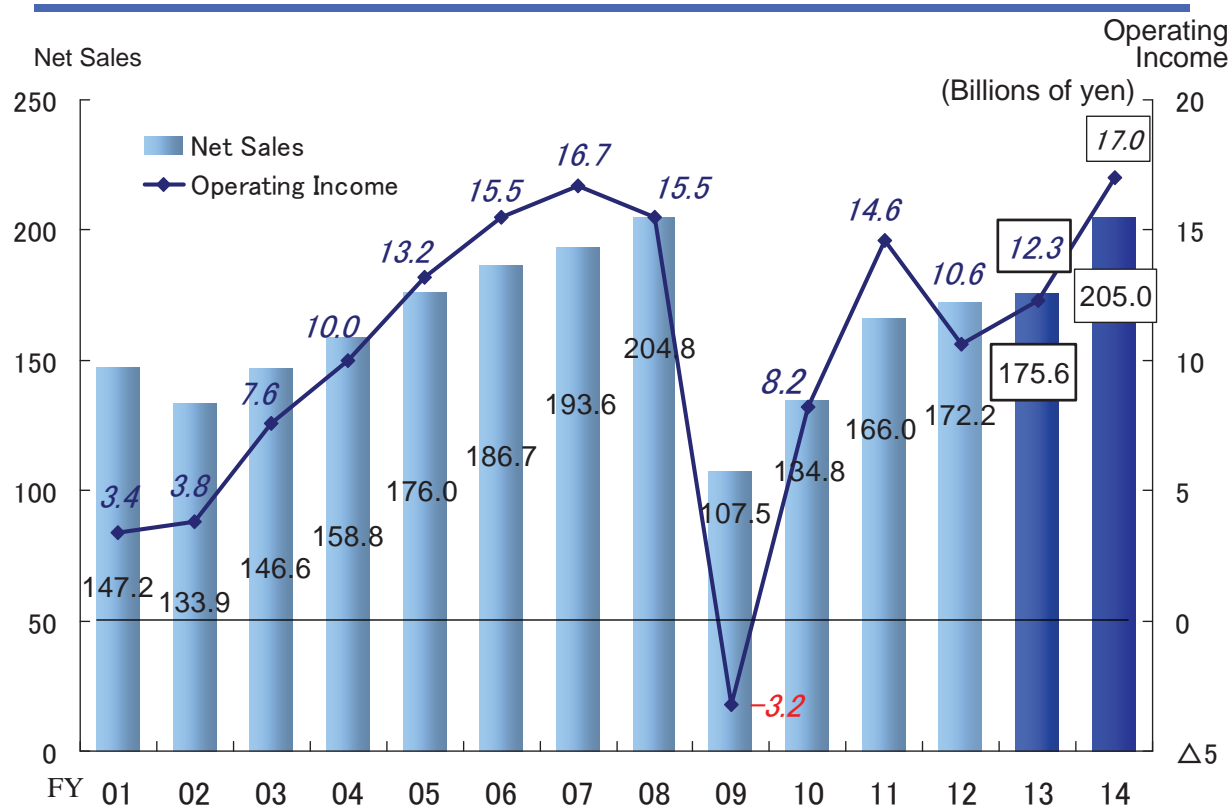
(Billions of yen)

| | FY2012 Results | FY2013 Results | FY2014 Forecasts |
|-----------------------------|-------------------|-------------------|---------------------|
| Net Sales | 172.2 | 175.6 | 205.0 |
| (profit ratio on net sales) | | | |
| Operating Income | (6.2%) 10.6 | (7.0%) 12.3 | (8.3%) 17.0 |
| Ordinary Income | (5.3%) 9.1 | (6.7%) 11.6 | (7.8%) 16.0 |
| Net Income | 4.5 | 6.7 | 10.0 |
| Dividend per share | 6.0 yen | 6.0 yen | 8.0 yen |

2

Financial Results and Forecasts

Overview



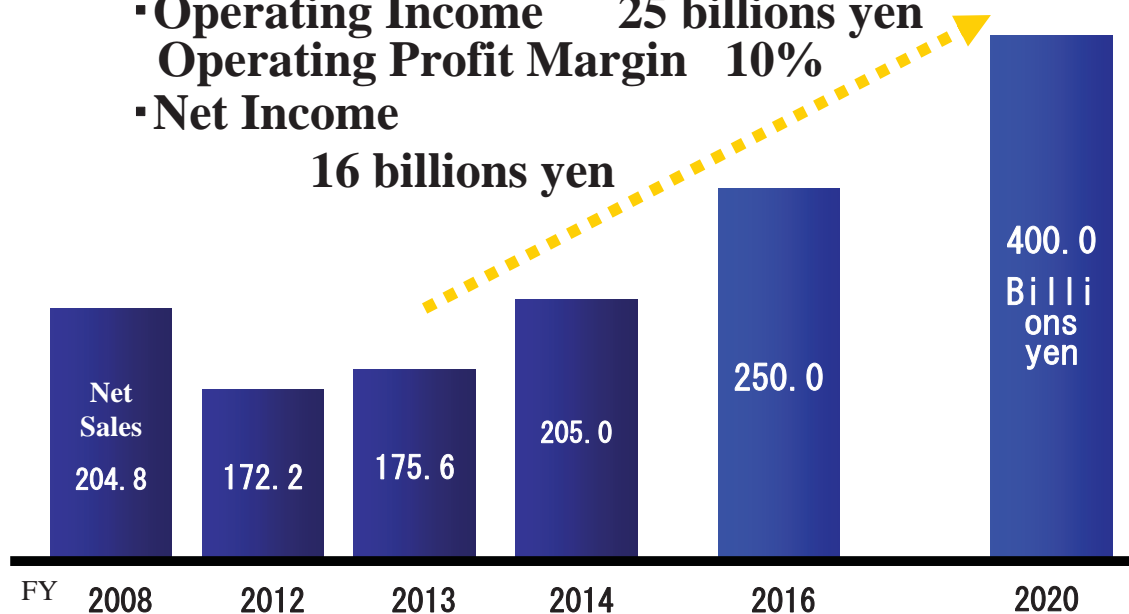
3

○ Mid-term Business Plan 2016

▪ Net Sales 250 billions yen

▪ Operating Income 25 billions yen
Operating Profit Margin 10%

▪ Net Income
16 billions yen



4

Mid-term Business Plan 2016

Long-term Corporate Vision 2020

“Accepting the challenges to grow the enterprise that achieve aspiration of our customers, associates and society.”

▪ Net Sales 400 billion yen

▪ Operating Profit 60 billion yen (15%)

▪ Rate of Oversea Sales 60%

Mid-term Policy

1. Deep cultivation of growth markets
2. Creation of new products and new business
3. Enhance and train associates

5

Deep cultivation of growth markets

Overview

○ NACHI (JIANGSU) INDUSTRIES

Core base of China

Robots, Hydraulic equipments, Car control valves, and Cutting Tools



○ NACHI KG Technology India

Plant of Bearings for industrial machinery and motor vehicles



○ Enhance production bases in growth markets

ASEAN



USA



China



6

Creation of new products and new business

Overview



The world's fastest compact robot

- Expand sales in the world



Energy saving Compact Hydraulic Unit

- Acquire Increasing demand in Emerging markets



Carbide drill

- Expand Sizes and Add Series



Hydraulic Equipments for Construction Machine

- Expand lineup

7

(Billions of yen)

| | FY2013 Result (A) | | FY2016 Target (B) | | Increase/Decrease (Proportion) (B) – (A) | |
|---|----------------------|------|----------------------|-------------|--|-------|
| Net Sales | 175.6 | | 250.0 | | (x1.4) | +743 |
| (profit ratio on net sales) Operating Income | (7.0%) | 12.3 | (10.0%) | 25.0 | (x2.0) | +12.6 |
| Ordinary Income | (6.7%) | 11.6 | (9.6%) | 24.0 | (x2.1) | +12.3 |
| Net Income | 6.7 | | 16.0 | | (x2.4) | +9.2 |
| Capacity investment (sum of 3year) | 36.4 | | 50.0 | | +13.5 | |
| Number of employees | 6,072 | | 6,500 | | +428 | |
| Stockholder's equity ratio | 37% | | 43% | | +5 points | |
| Exchange rate US\$/€ | 92 / 121 yen | | 100 / 135 yen | | +8 / +14 yen | |

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Overview of FY2013

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Consolidated Financial Highlights of FY2013

FY2013

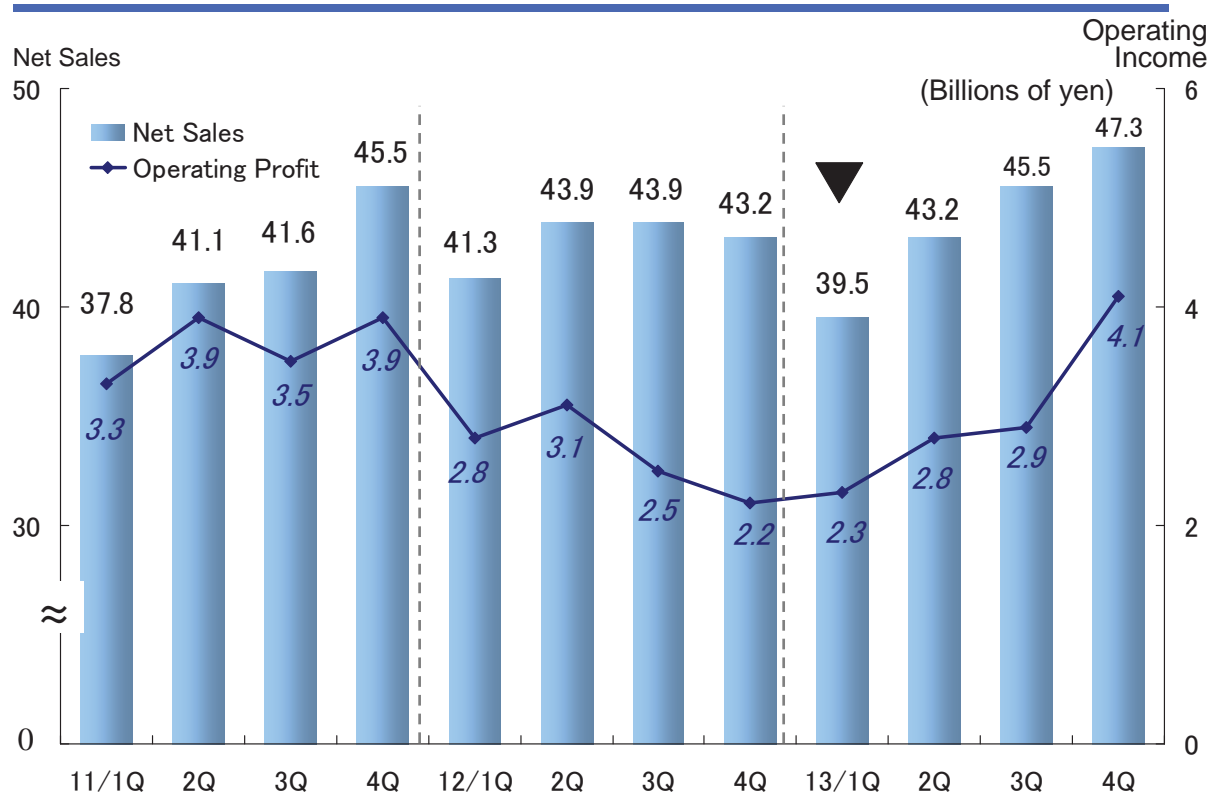
(Billions of yen)

| | FY2012 (A) | | FY2013 (B) | | Increase/Decrease (Proportion) (B) - (A) | |
|---|---------------|-------|---------------|--------------|--|------|
| Net Sales | | 172.2 | | 175.6 | (+2.0%) | +3.4 |
| (profit ratio on net sales) Operating Income | (6.2%) | 10.6 | (7.0%) | 12.3 | (+16.0%) | +1.6 |
| Ordinary Income | (5.3%) | 9.1 | (6.7%) | 11.6 | (+28.4%) | +2.5 |
| Extraordinary income | | 0.0 | | 0.4 | | +0.3 |
| Extraordinary loss | | 0.3 | | 1.2 | | +0.8 |
| Net Income | | 4.5 | | 6.7 | (+46.3%) | +2.1 |

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Quarterly Financial Results and Forecast

FY2013



11

Consolidated Financial Data

FY2013

(Billions of yen)

| | FY2012 (A) | FY2013 (B) | Increase/Decrease (B) – (A) |
|--|------------------|---------------------------|---|
| Total Assets | 187.1 | 207.9 | +20.7 |
| Stockholder's equity (stockholder's equity ratio) | (33.1%) 61.9 | (37.1%) 77.1 | +15.2 |
| Interest-bearing debt (Net D/E ratio) | (0.7X) 60.7 | (0.5X) 55.1 | -5.6 |
| Capacity investment | 13.3 | 12.6 | -0.7 |
| Depreciation and amortization | 10.1 | 10.3 | +0.2 |
| Number of employees | 5,845 | 6,072 | +227 |
| Exchange rate (US\$) (Euro€) | 78yen 102 yen | 92 yen 121 yen | 14 yen depreciation against USD 19 yen depreciation against Euro |

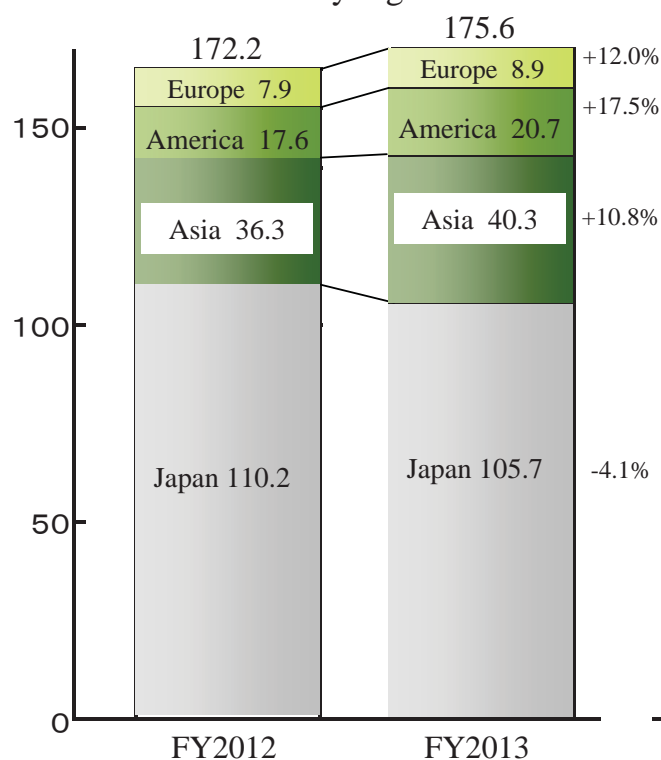
12

Sales by Region and Market Segment

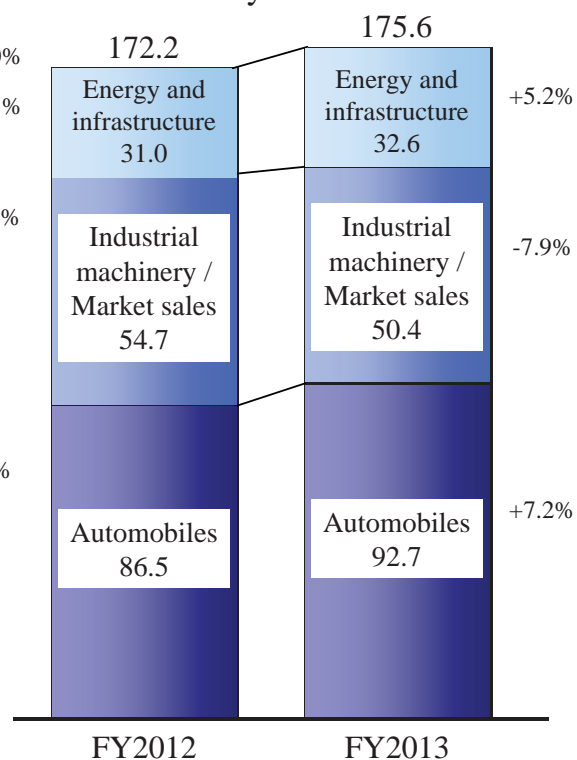
FY2013

(Billions of yen)

Sales by region



Sales by market



13

Sales and Operating Income by Business Segments

FY2013

(Billions of yen)

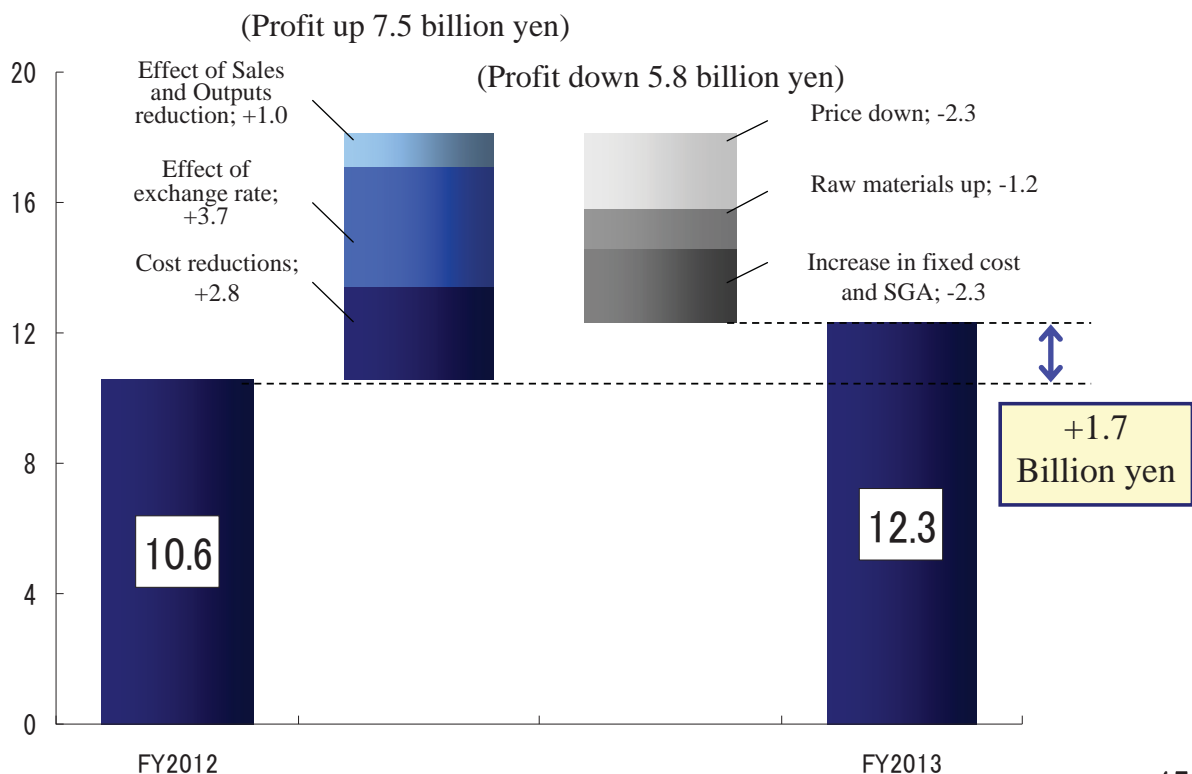
| | FY2012 | | FY2013 | | Increase / Decrease | |
|-------------------------------|-------------|--|--------------------|--|---------------------|-----------|
| | (A) | | (B) | | (%) | (B) - (A) |
| Machinery & Tools | | | | | | |
| Net Sales | 62.3 | | 63.8 | | (+2.3%) | +1.4 |
| Operating Income | (8.8%) 5.5 | | (8.7%) 5.5 | | (+0.9%) | +0.0 |
| Components | | | | | | |
| Net Sales | 95.5 | | 98.2 | | (+2.8%) | +2.6 |
| Operating Income | (3.6%) 3.4 | | (5.6%) 5.4 | | (+59.5%) | +2.0 |
| Materials & Others | | | | | | |
| Net Sales | 14.3 | | 13.6 | | (-4.8%) | -0.6 |
| Operating Income | (11.5%) 1.6 | | (9.3%) 1.2 | | (-23.4%) | -0.3 |
| Total Net Sales | 172.2 | | 175.6 | | (+2.0%) | +3.4 |
| Total Operating Income | (6.2%) 10.6 | | (7.0%) 12.3 | | (+16.0%) | +1.6 |

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Factors for Change in Operating Income

FY2013

(Billions of yen)



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Outlook for FY2014

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Consolidated Financial Highlights of FY2014 Plan

FY2014

(Billions of yen)

| | FY2013 (A) | FY2014 Forecasts (B) | Increase/Decrease (Proportion) (B) – (A) |
|---|---------------|-------------------------|--|
| Net Sales | 175.6 | 205.0 | (+16.7%) +29.3 |
| (profit ratio on net sales) Operating Income | (7.0%) 12.3 | (8.3%) 17.0 | (+37.8%) +4.6 |
| Ordinary Income | (6.7%) 11.6 | (7.8%) 16.0 | (+36.8%) +4.3 |
| Extraordinary income | 0.4 | 0.0 | -0.4 |
| Extraordinary loss | 1.2 | 0.0 | -1.2 |
| Net Income | 6.7 | 10.0 | (+49.1%) +3.2 |

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Consolidated Financial Data

FY2014

(Billions of yen)

| | FY2013 (A) | FY2014 Forecast (B) | Increase/Decrease (B) – (A) |
|--|-------------------|----------------------------|--|
| Total Assets | 207.9 | 223.0 | +15.0 |
| Stockholder's equity (stockholder's equity ratio) | (37.1%) 77.1 | (37.7%) 84.0 | +6.8 |
| Interest-bearing debt (Net D/E ratio) | (0.5X) 55.1 | (0.4X) 56.0 | +0.8 |
| Capacity investment | 12.6 | 15.0 | +2.3 |
| Depreciation and amortization | 10.3 | 11.0 | +0.6 |
| Number of employees | 6,072 | 6,100 | +28 |
| Exchange rate (US\$) (Euro€) | 92 yen 121 yen | 100 yen 135 yen | 8 yen depreciation against USD 14 yen depreciation against Euro |

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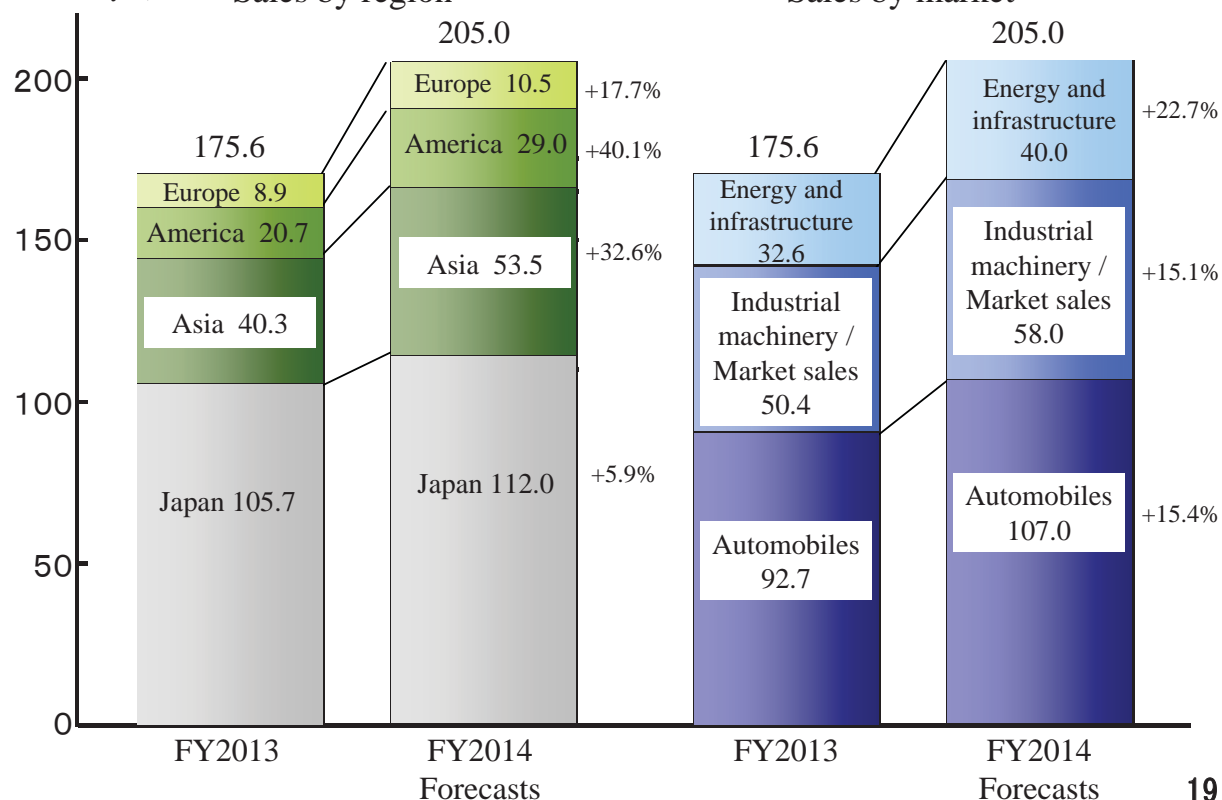
Sales by Region and Market Segment

FY2014

(Billions of yen)

Sales by region

Sales by market



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Sales and Operating Income by Business Segments

FY2014

(Billions of yen)

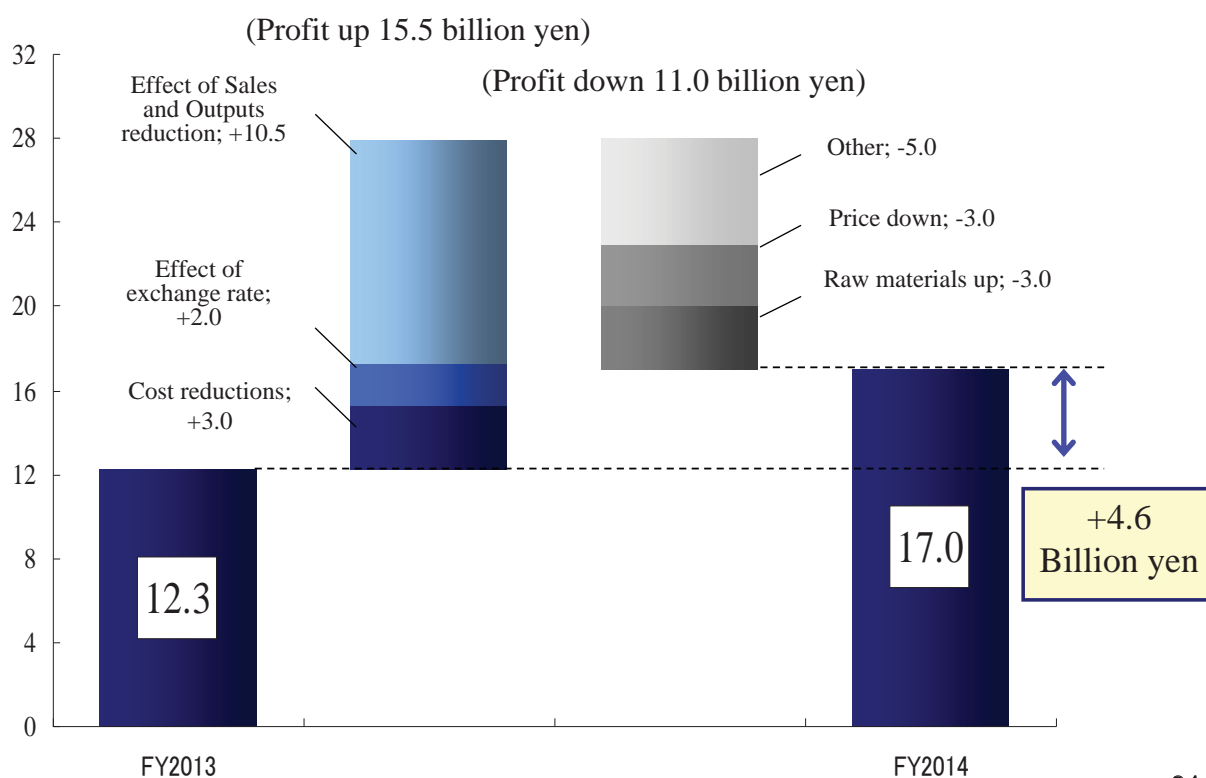
| | FY2013 (A) | | FY2014 Forecasts (B) | | Increase / Decrease (%) (B) - (A) | |
|-------------------------------|------------------------------|--|-------------------------|--|--------------------------------------|-------|
| | Machinery & Tools | | | | | |
| Net Sales | 63.8 | | 69.0 | | (+8.1%) | +5.1 |
| Operating Income | (8.7%) 5.5 | | (10.0%) 6.9 | | (+24.1%) | +1.3 |
| Components | | | | | | |
| Net Sales | 98.2 | | 120.0 | | (+22.2%) | +21.7 |
| Operating Income | (5.6%) 5.4 | | (7.2%) 8.6 | | (+57.0%) | +3.1 |
| Materials & Others | | | | | | |
| Net Sales | 13.6 | | 16.0 | | (+17.2%) | +2.3 |
| Operating Income | (9.3%) 1.2 | | (9.4%) 1.5 | | (+18.5%) | +0.2 |
| Total Net Sales | 175.6 | | 205.0 | | (+16.7%) | +29.3 |
| Total Operating Income | (7.0%) 12.3 | | (8.3%) 17.0 | | (+37.8%) | +4.6 |

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Factors for Change in Operating Income

FY2014

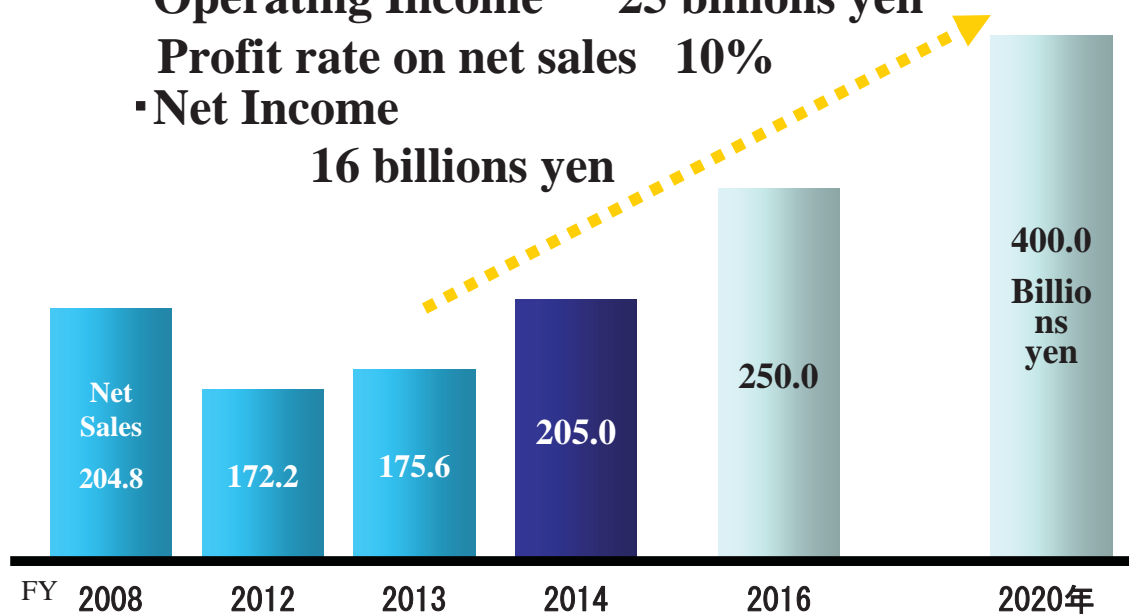
(Billions of yen)



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○ Mid-term Business Plan 2016

- Net Sales **250 billions yen**
- Operating Income **25 billions yen**
- Profit rate on net sales **10%**
- Net Income **16 billions yen**



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.