

Business Results

for the First Half of FY2024

July 18, 2024



NACHI-FUJIKOSHI CORP.

Outline

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| 3. Business Strategy | 17~20 |

Business Results for the First Half of FY2024

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Results for the First Half of FY2024

1H Actual

(Billions of yen)

	FY2023 1H(A)		FY2024 1H(B)		Increase/ Decrease (B) – (A)
Net Sales	135.2		118.7		(–12.2%) –16.5
Operating Profit	(5.6%)	7.6	(2.0%)	2.3	(–69.2%) –5.3
Ordinary Profit	(5.2%)	7.0	(1.2%)	1.4	(–79.4%) –5.6
Profit attributable to owners of the parent		4.7		0.7	(–83.5%) –4.0
Exchange rate (JPY/1USD)		133		149	16 JPY depreciation
(JPY/1EUR)		144		162	18 JPY depreciation
(JPY/1CNY)		19.3		20.8	1.5 JPY depreciation

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Consolidated Financial Data

1H Actual

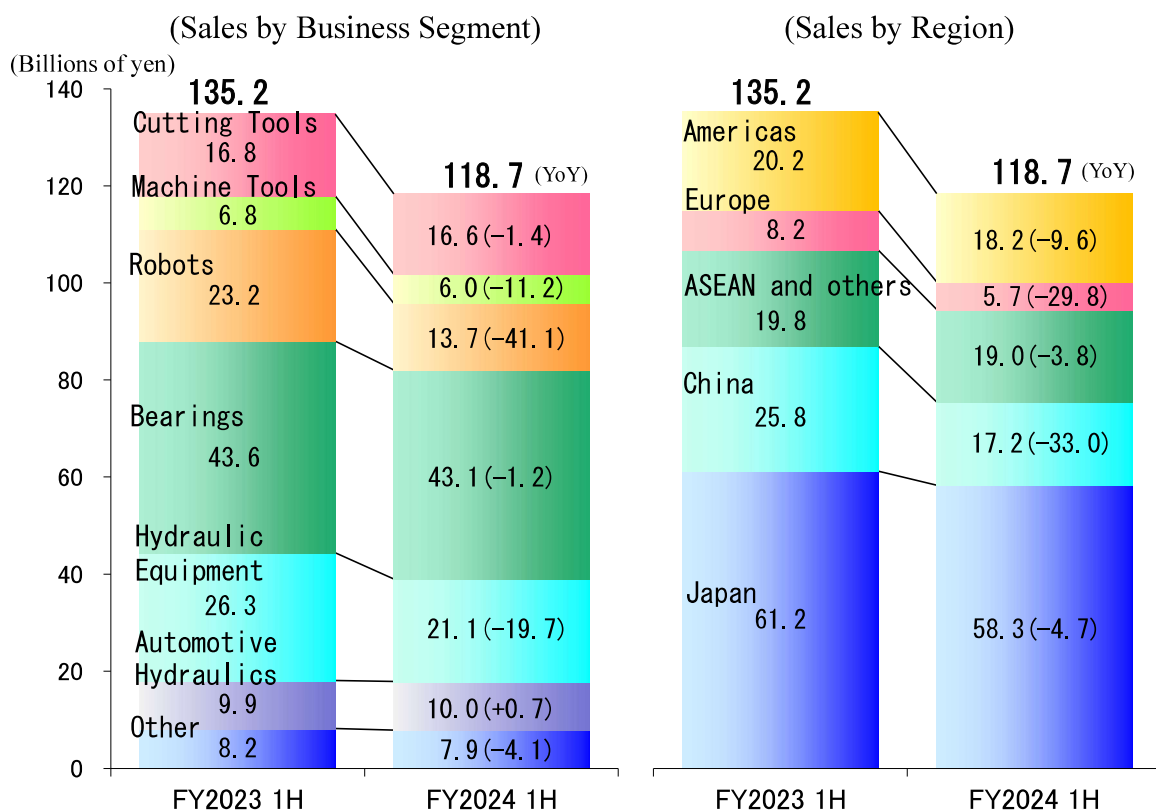
(Billions of yen)

	FY2023 1H(A)	FY2024 1H(B)	Increase/ Decrease (B) – (A)
ROE	6.3%	0.9%	−5.4pt
Total Assets	358.8	366.1	+7.3
Stockholder's Equity (Stockholder's Equity ratio)	(42.3%) 151.9	(46.1%) 168.7	+16.8
Interest-bearing Debts (Net D/E ratio)	(0.51) 110.2	(0.45) 107.7	−2.5
Facility Investment	9.7	7.4	−2.3
Depreciation and Amortization	9.5	9.8	+0.3
Number of Regular Employees (persons)	7,245	7,179	−66

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Sales by Business Segment and Region

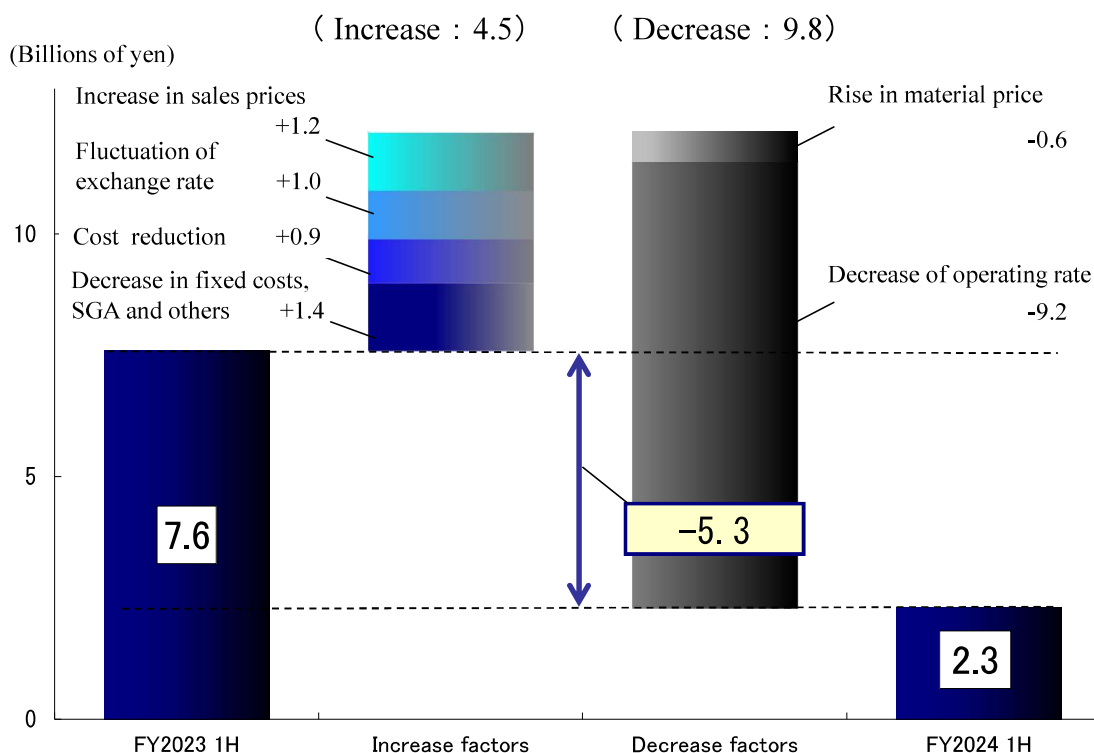
1H Actual



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Operating Profit Analysis

1H Actual



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Sales and Operating Profit by Business Segment

1H Actual

(Billions of yen)

		FY2023 1H (A)	FY2024 1H(B)	Increase/ Decrease (B) - (A)
Machinery & Tools	Cutting Tools	16.8	16.6	(-1.4%) -0.2
	Machine Tools	6.8	6.0	(-11.2%) -0.8
	Robots	23.2	13.7	(-41.1%) -9.5
	Net Sales	47.0	36.4	(-22.5%) -10.6
	Operating Profit	(10.1%) 4.7	(2.8%) 1.0	(-78.2%) -3.7
Components	Bearings	43.6	43.1	(-1.2%) -0.5
	Hydraulic Equipment	26.3	21.1	(-19.7%) -5.2
	Automotive Hydraulic	9.9	10.0	(+0.7%) +0.1
	Net Sales	79.9	74.3	(-7.1%) -5.6
	Operating Profit	(3.0%) 2.4	(1.0%) 0.7	(-68.1%) -1.7
Other	Net Sales	8.2	7.9	(-4.1%) -0.3
	Operating Profit	(5.7%) 0.4	(6.4%) 0.5	(+8.4%) +0.1
Total Net Sales		135.2	118.7	(-12.2%) -16.5
Total Operating Profit		(5.6%) 7.6	(2.0%) 2.3	(-69.2%) -5.3

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Business Forecast for FY2024

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Consolidated Financial Highlights

FY2024

(Billions of yen)

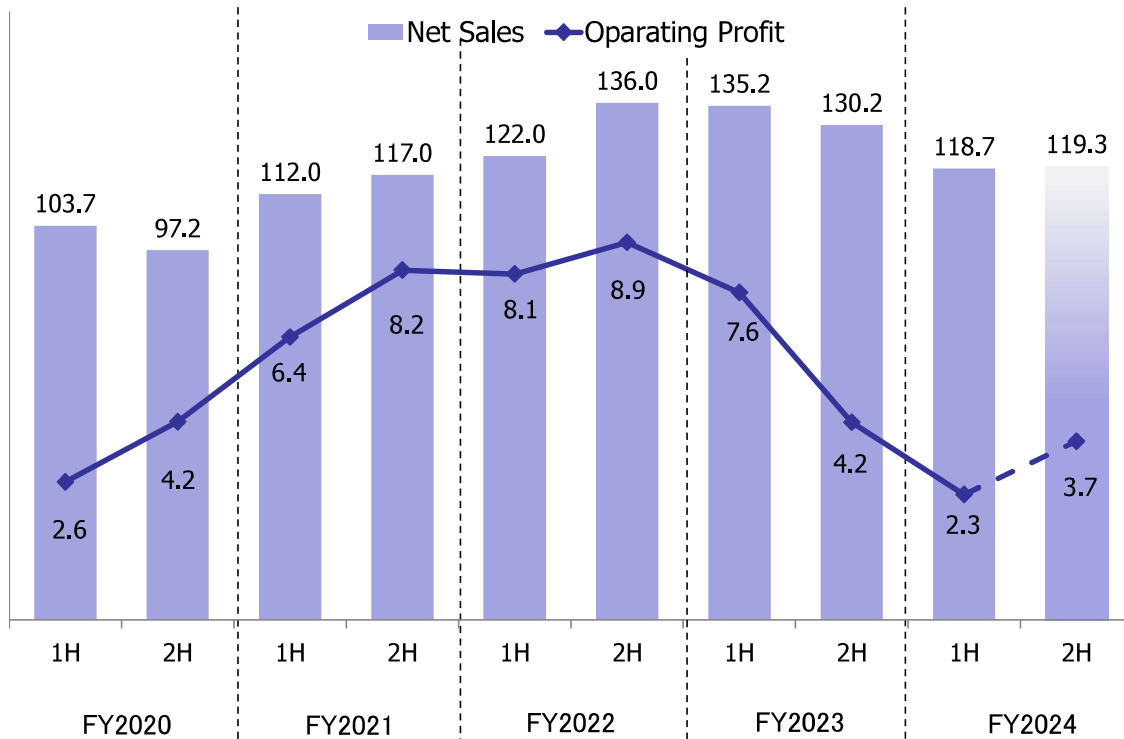
	FY2023 Actual (A)		FY2024 Forecast (B)		Increase/ Decrease (B) – (A)	
Net Sales	265.4		238.0		(-10.3%)	-27.4
Operating Profit	(4.5%)	11.8	(2.5%)	6.0	(-49.5%)	-5.8
Ordinary Profit	(4.2%)	11.0	(2.1%)	5.0	(-54.7%)	-6.0
Profit attributable to owners of the parent	6.4		3.0		(-53.6%)	-3.4
Exchange rate (JPY/1USD)	139		147		8 JPY depreciation	
(JPY/1EUR)	150		158		8 JPY depreciation	
(JPY/1CNY)	19.7		20.6		0.9 JPY depreciation	
Cash Dividend per share (JPY)	110		100		-10	

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Trend of business results every half year

FY2024

(Billions of yen)

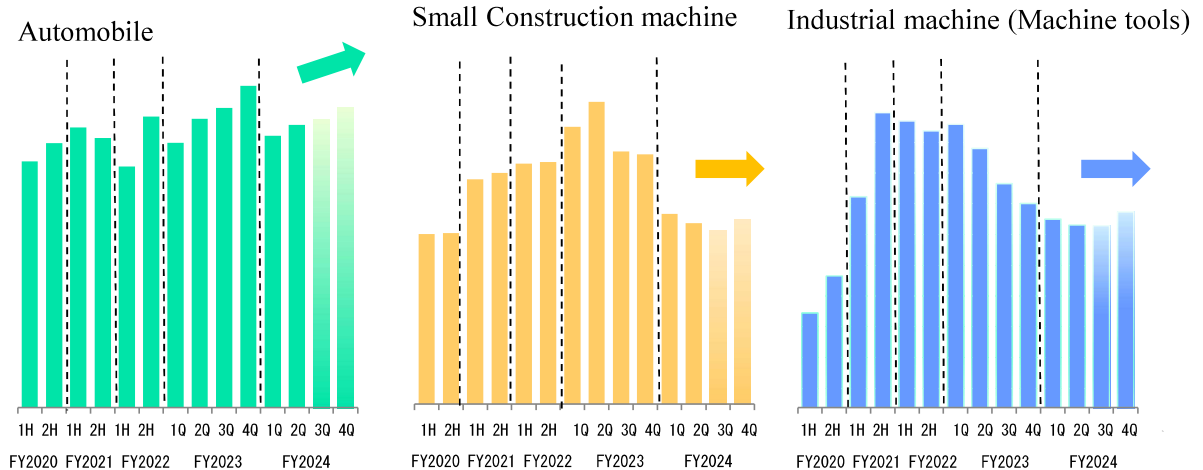


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Trends of the demand -Part 1

FY2024

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



(Trends of main industries)

Automobile : Production was cut in the first half, but it will recover from the second half.

Construction machine : Production adjustment in China and Europe will continue.

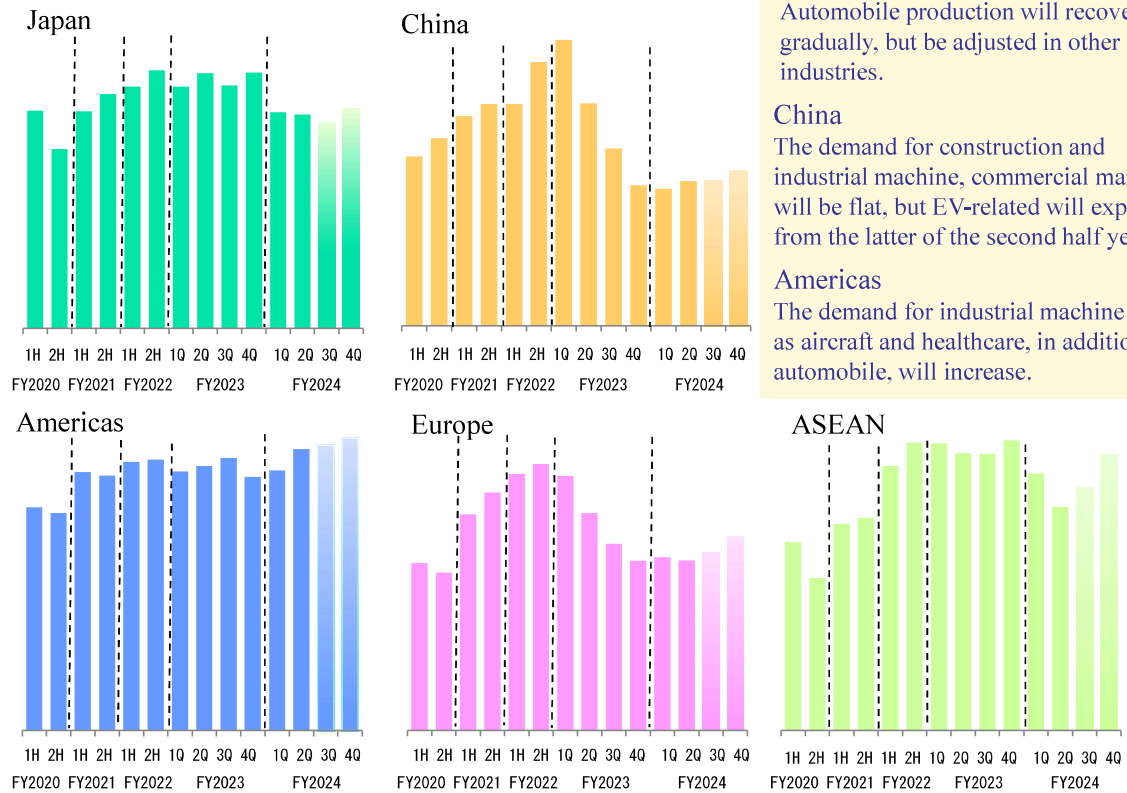
Industrial machine : Although there is a difference in sales by industries, the demand for machine tools will remain stagnant.

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Trends of the demand -Part2

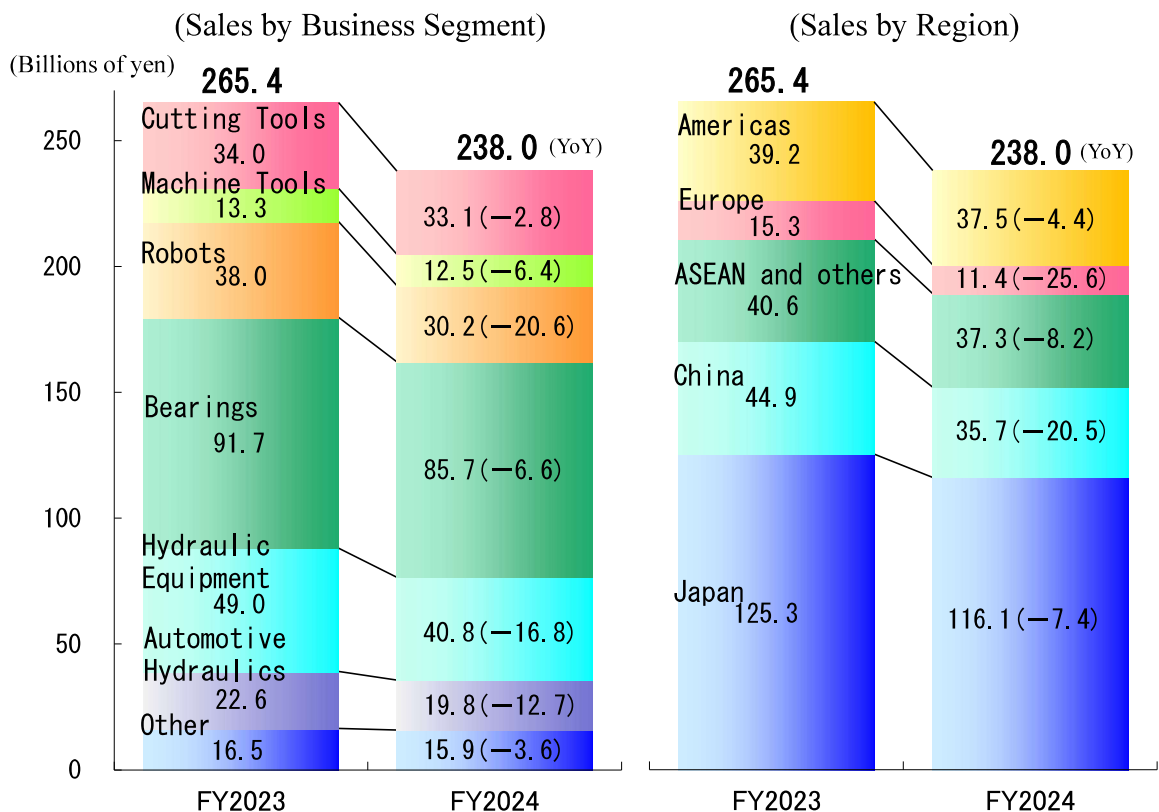
FY2024

(Trends by Region)



Sales by Business Segment and Region

FY2024



Sales and Operating Profit by Business Segment

FY2024

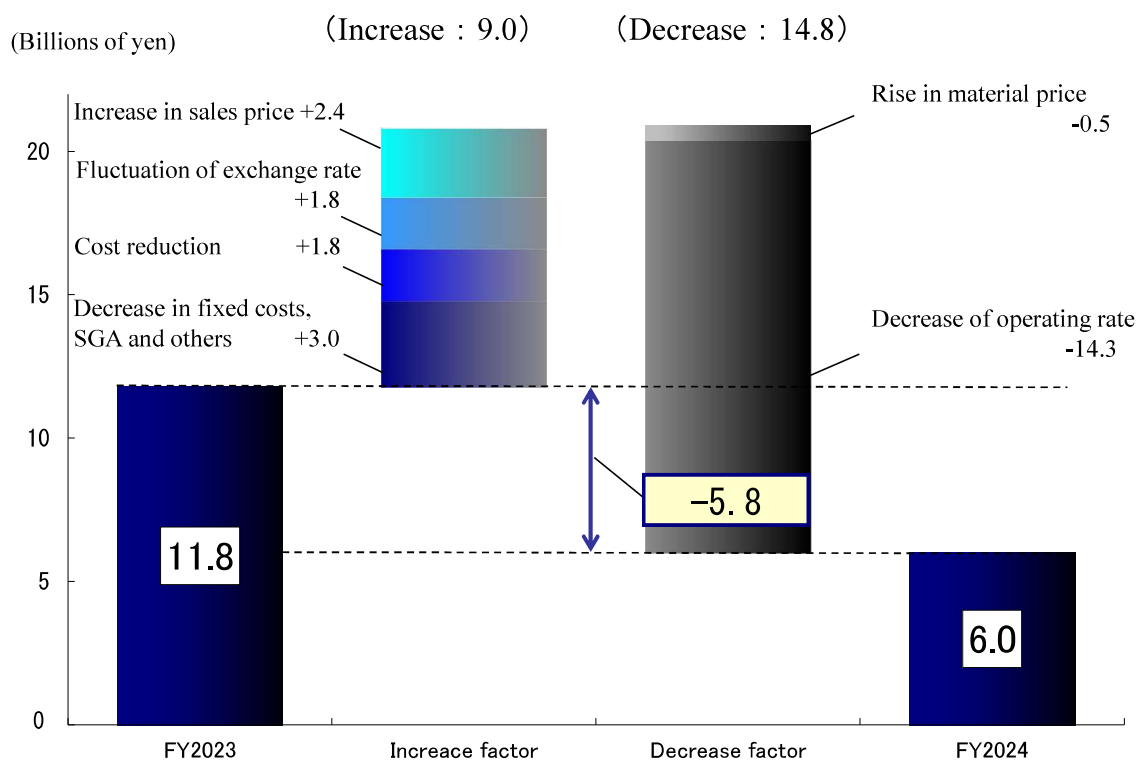
(Billions of yen)

		FY2023 Actual (A)	FY2024 Forecast (B)	Increase/ Decrease (B) – (A)
Machinery & Tools	Cutting Tools	34.0	33.1	(-2.8%) -0.9
	Machine Tools	13.3	12.5	(-6.4%) -0.8
	Robots	38.0	30.2	(-20.6%) -7.8
	Net Sales	85.4	75.8	(-11.3%) -9.6
	Operating Profit	(7.5%) 6.4	(4.2%) 3.2	(-50.0%) -3.2
Components	Bearings	91.7	85.7	(-6.6%) -6.0
	Hydraulic Equipment	49.0	40.8	(-16.8%) -8.2
	Automotive Hydraulic	22.6	19.8	(-12.7%) -2.8
	Net Sales	163.5	146.3	(-10.5%) -17.2
	Operating Profit	(2.8%) 4.5	(1.2%) 1.7	(-62.2%) -2.8
Other	Net Sales	16.5	15.9	(-3.6%) -0.6
	Operating Profit	(5.9%) 0.9	(6.9%) 1.1	(+13.2%) +0.2
Total Net Sales		265.4	238.0	(-10.3%) -27.4
Total Operating Profit		(4.5%) 11.8	(2.5%) 6.0	(-49.5%) -5.8

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Operating Profit Analysis

FY2024



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(Billions of yen)

	FY2023 Actual (A)	FY2024 Forecast (B)	Increase/ Decrease (B) – (A)
ROE	4.2%	1.8%	–2.4pt
Total Assets	370.3	361.0	–9.3
Stockholder's Equity (Stockholder's Equity ratio)	(43.9%) 162.7	(47.0%) 169.8	+7.1
Interest-bearing Debts (Net D/E ratio)	(0.47) 109.7	(0.42) 103.0	–6.7
Facility Investment	19.1	14.0	–5.1
Depreciation and Amortization	19.4	19.0	–0.4
Number of Regular Employees (persons)	7,204	7,130	–74

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Business Strategy

Expand business in the Electric Vehicle(EV) field

Business Strategy

◆ Electric motor and eAxle(Integrated drive motor system)



Aqua REVO Drills Burrless

Improved productivity by minimizing burrs in the machining of complex holes such as motor shafts.



Electrically insulated bearings

Successfully developed technology for inserting electrically insulating materials on bearing races. The best proposal can be made according to the conditions of use.

◆ Spot welding and transfer of vehicle bodies



Spot Welding Robot SRA series

High-speed spot welding robot for minimizing cycle time

◆ Electrification(By-wire operation)



Lock actuators

Unique magnetic circuit design achieves zero power consumption when locked. Available for miniaturization.

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Expand business in the Industrial machinery field

Business Strategy

◆ Industrial machinery



New energy-saving hydraulic unit

High energy-saving performance. Low heat generation and noise.



Collaborative robot CMZ series

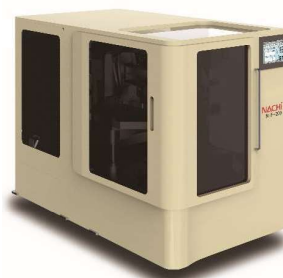
Adopted in production lines of various industries due to larger payload and operating range.



Aqua REVO Burrless series

Expand the tool lineup and increase the types of work materials that can be machined.

◆ Electrical & Electronic Equipment



Compact injection molding machine for fluoropolymers

Suitable for molding of small sized products in fluoropolymers, that is a vertical-type injection molding machine.

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Strengthen profitability and production system

Business Strategy

○ Increase production capacity of Carbide Drills in North America



NACHI TOOL AMERICA INC.



Carbide Drills

- Increase four times production capacity by the end of FY2024
- Respond to QCDS requests from local customers

○ Accelerate consolidated production of radial bearings in ASEAN



NACHI TECHNOLOGY (THAILAND) CO.,LTD.



Radial bearings

- Local production from forging to assembly process is integrated
- Further consolidation of model numbers for small- and medium-diameter radial bearings is performed

○ Reorganize factories in Japan and overseas

(Planning to sell cross-shareholdings to raise fund to expand our business)

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NACHI

<https://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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