

Final Financial Results for the Fiscal Year Ended Nov. 2008

NACHI

NACHI –FUJIKOSHI CORP.

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Outline: Consolidated Final Results Ended Nov. 2008

FY 08 Performance

(100 million of yen)

	Fiscal 2007 Performance (A)	Fiscal 2008 Performance (B)	Change (B) - (A)
Sales	1,936	2,048	(+5.8%) +111
Business Profit	(8.7%) 167	(7.6%) 155	(Δ7.4%) Δ12
Current Profit	(7.9%) 152	(6.8%) 139	(Δ8.7%) Δ13
Special Profit	10	9	Δ1
Extraordinary Loss	27	9	Δ17
Current Net Profit	78	83	(+6.2%) +4

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Managerial Data

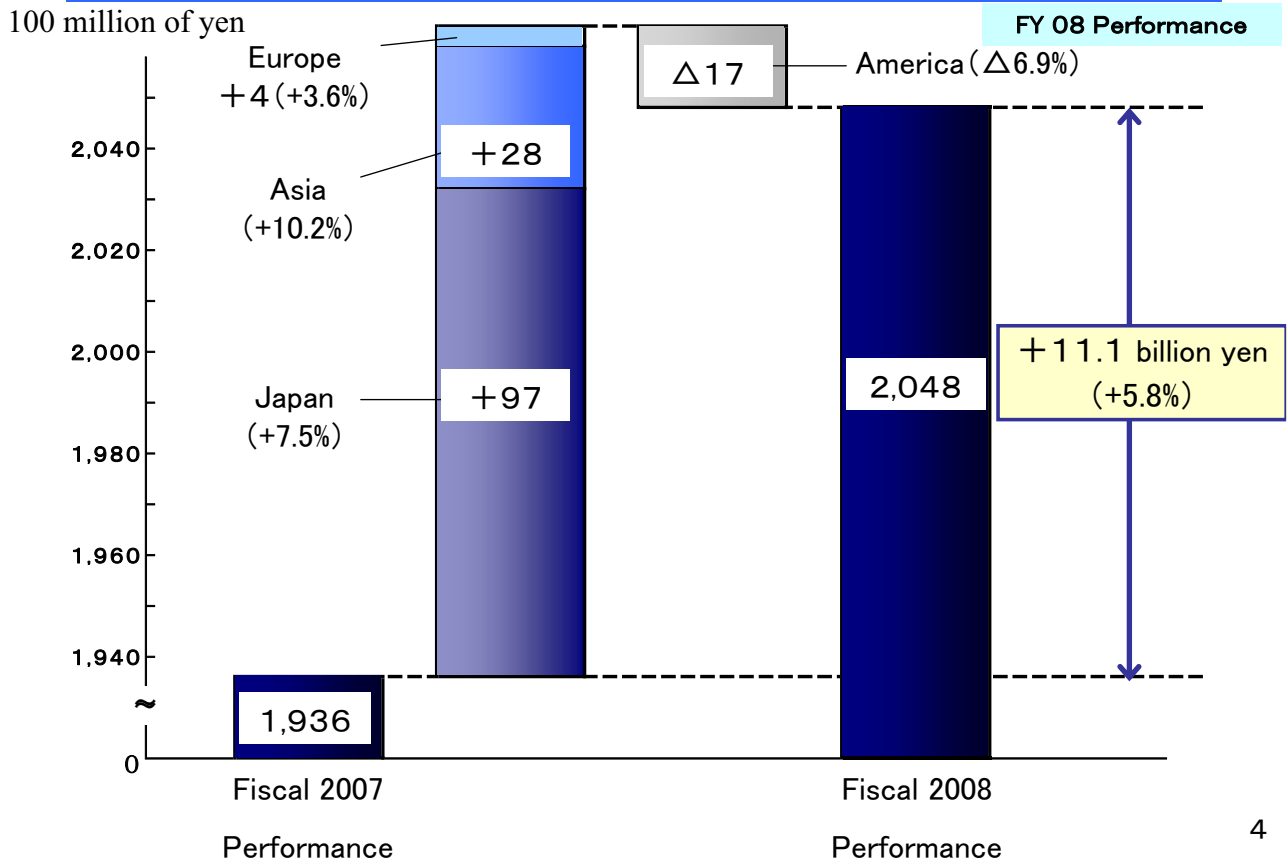
FY 08 Performance

(100 million of yen)

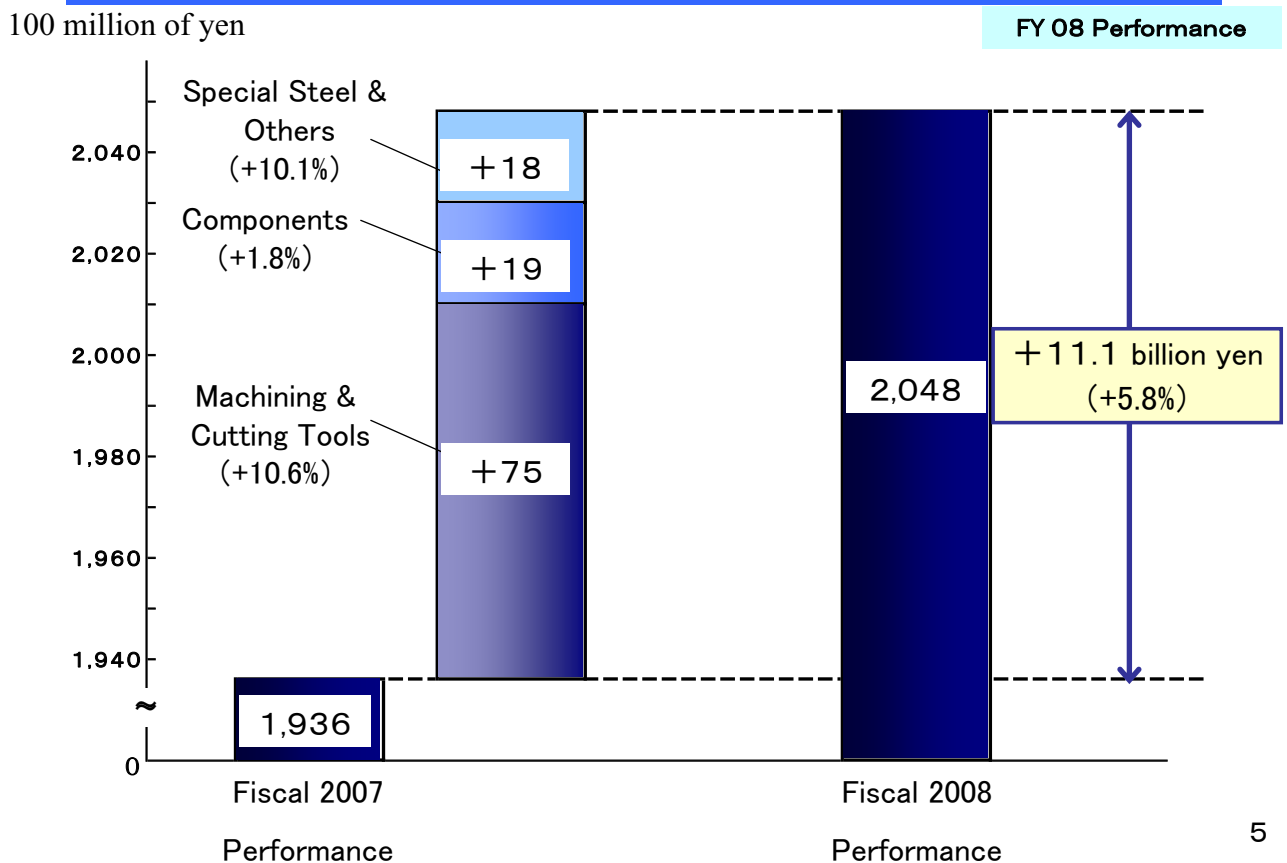
	Fiscal 2007 Performance (A)	Fiscal 2008 Performance (B)	Change (B) - (A)
Collective Assets	2,017	1,924	Δ93
Total Equity	(29.3%) 590	(31.6%) 607	(+2.3points) +16
Debt with Interest	619	644	+24
D/E Ratio	1.0 x	1.0 x	
Capital Expenditures	192	180	Δ12
Depreciation Cost	99	102	+3
Human Resources	5,802 jobs	5,853 jobs	+51 jobs

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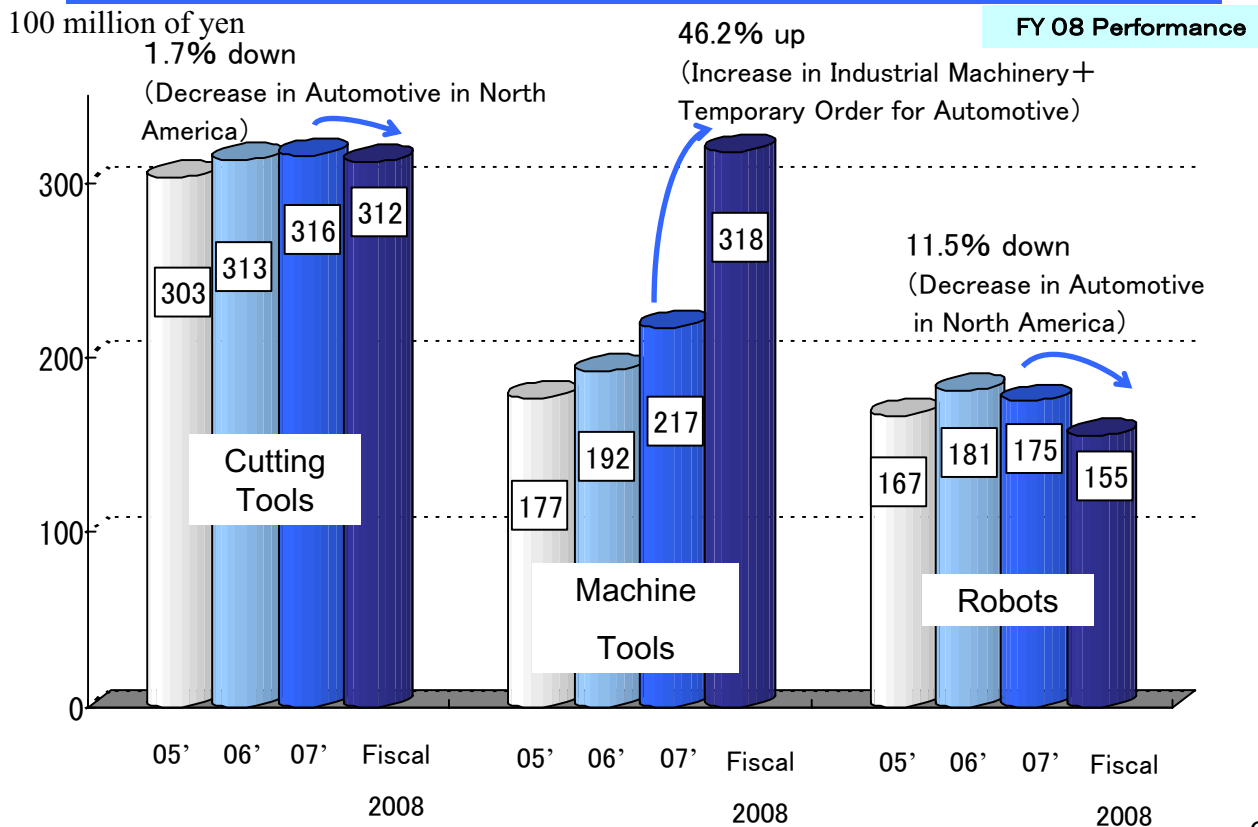
Factors of Fluctuating Business Profit by Area



Factors of Fluctuating Sales Figures by Business Field

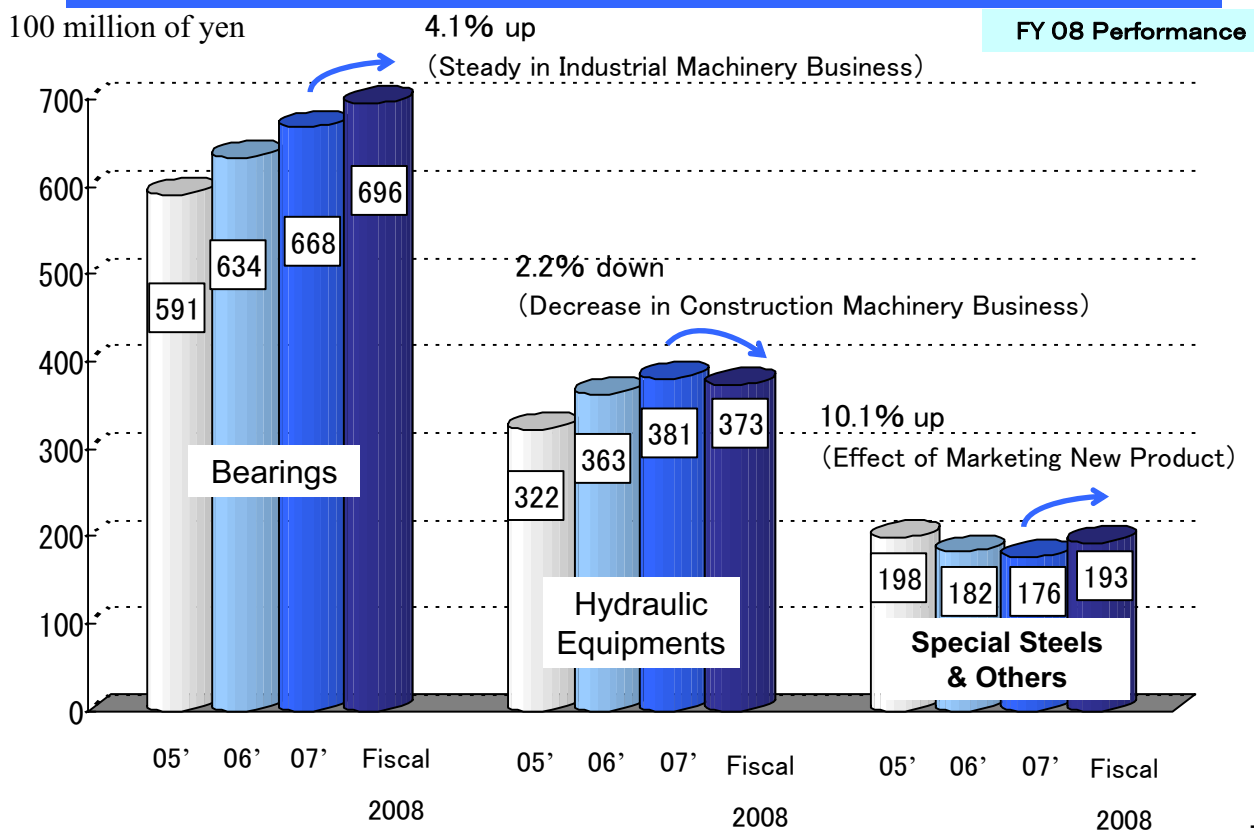


Sales Figures by Main Business (Machine & Cutting Tools)



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Sales Figures by Main Business (Components & Special Steels)



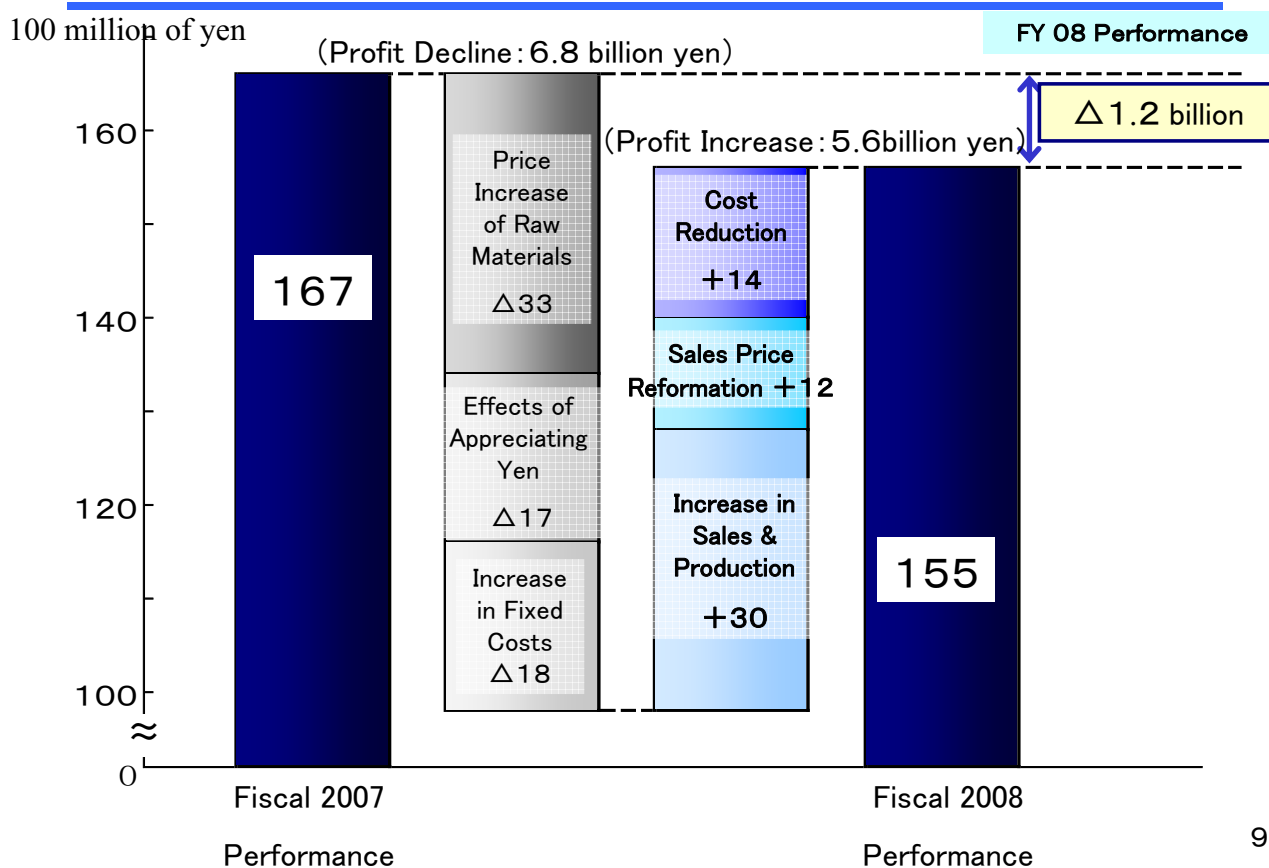
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Sales and Business Profit by Business Segments

			FY 08 Performance	
(100 million of yen)	Fiscal 2007 Performance (A)	Fiscal 2008 Performance (B)	Change (B) - (A)	
Machine & Cutting Tools				
S a l e s	710	785	(+10.6%)	+75
Business Profit	(7.3%) 51	(5.1%) 40	(Δ22.3%)	Δ11
C o m p o n e n t s				
S a l e s	1,050	1,069	(+1.8%)	+19
Business Profit	(9.7%) 101	(9.1%) 97	(Δ4.1%)	Δ4
Materials & Others				
S a l e s	176	193	(+10.1%)	+17
Business Profit	(7.7%) 13	(8.7%) 16	(+24.8%)	+3
Total Sales Figures	1,936	2,048	(+5.8%)	+111
Total Business Profit Figures	(8.7%) 167	(7.6%) 155	(Δ7.4%)	Δ12

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Factors of Fluctuating Business Profit



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Management Forecast of Fiscal 2009

FY 09 Forecast

(100 million of yen)

	Fiscal 2008 Performance (A)	Fiscal 2009 Forecast (B)	Change (B) - (A)
Sales	2,048	1,420	(Δ 30.7%) Δ 628
Business Profit	(7.6%) 155	(2.1%) 30	(Δ 80.7%) Δ 125
Current Profit	(6.8%) 139	(1.1%) 16	(Δ 88.5%) Δ 123
Special Profit	9		Δ 9
Extraordinary Losses	9	4	Δ 5
Current Net Profit	83	5	(Δ 94.0%) Δ 78

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Managerial Data

FY 09 Forecast

(100 million of yen)

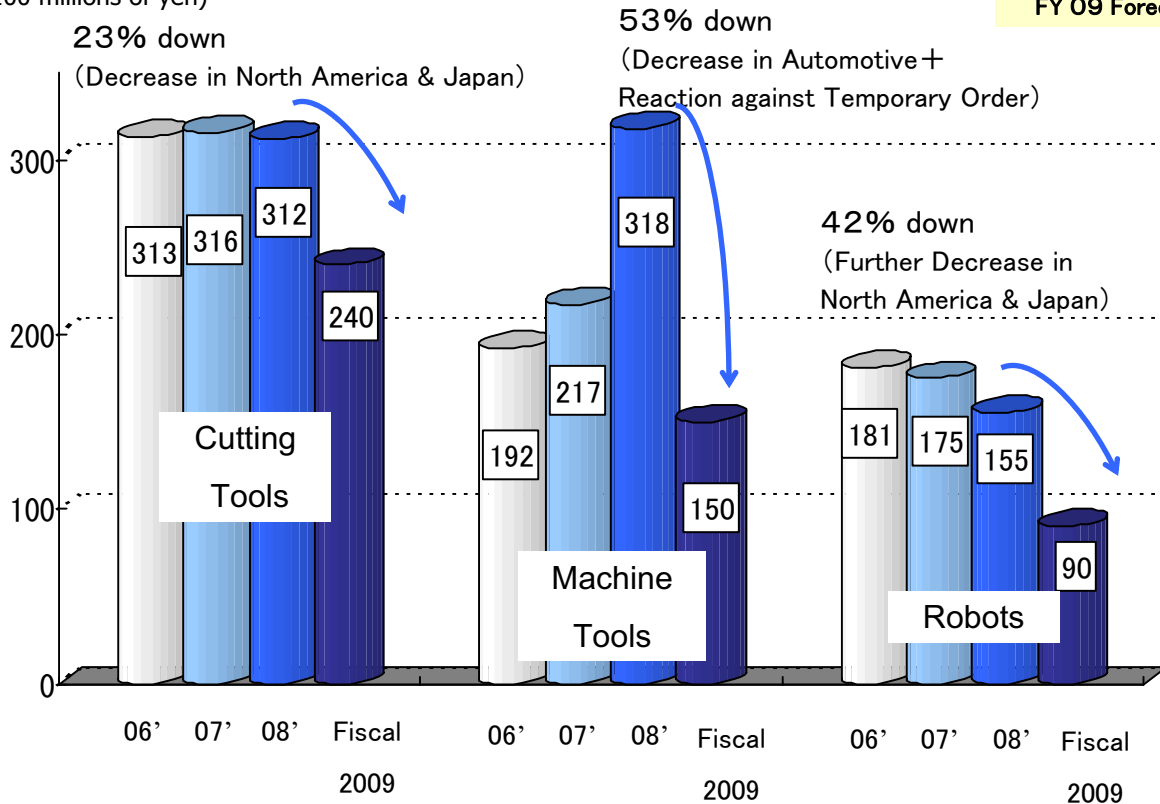
	Fiscal 2008 Performance (A)	Fiscal 2009 Forecast (B)	Change (B) - (A)
Collective Assets	1,924	1,780	Δ 144
Total Equity	(31.6%) 607	(31.3%) 557	Δ 50
Debt with Interest	644	720	+75
D/E Ratio	1.0 x	1.3 x	
Capital Expenditures	180	60	Δ 120
Depreciation Cost	102	100	Δ 2
Human Resources	5,853 jobs	5,750 jobs	Δ 103 jobs

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Sales by Main Business (Machine & Cutting Tools)

(100 millions of yen)

FY 09 Forecast

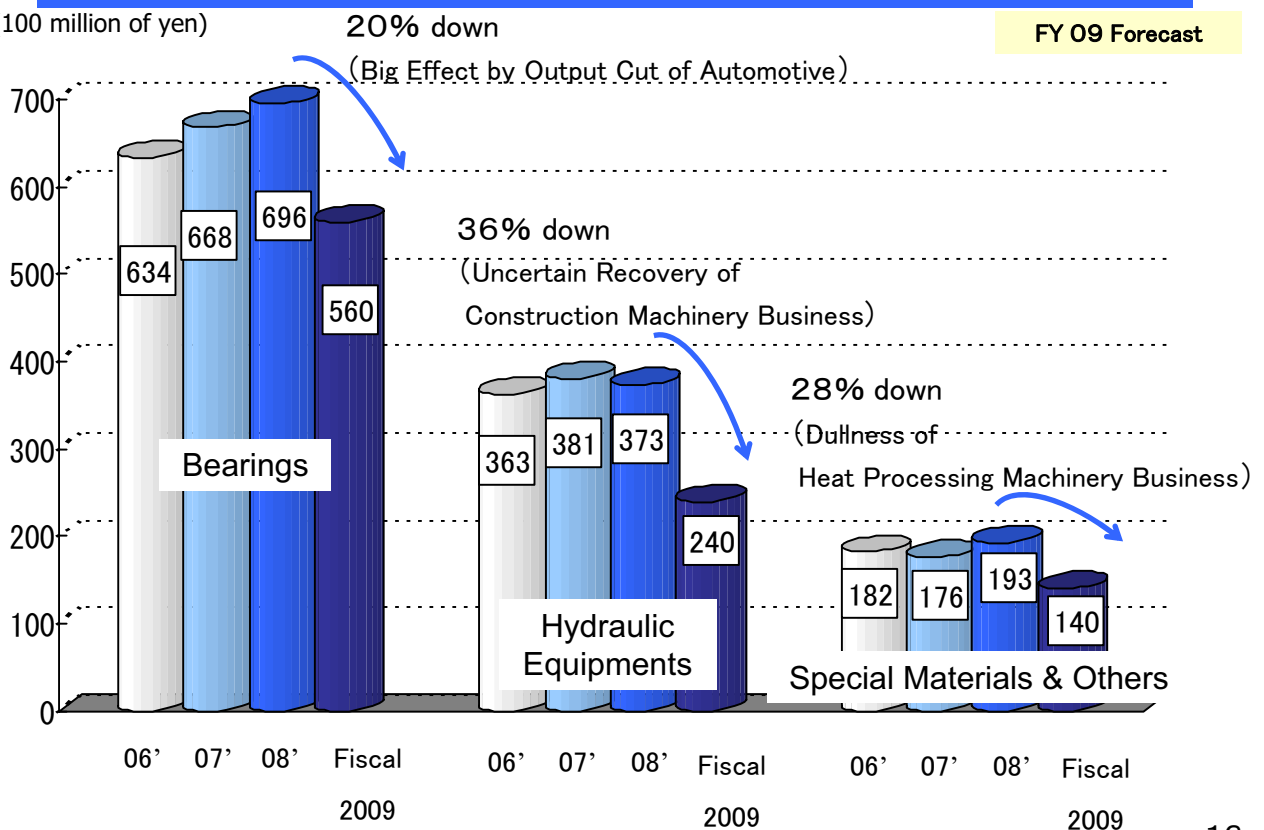


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Sales by Main Business (Components & Special Materials)

(100 million of yen)

FY 09 Forecast



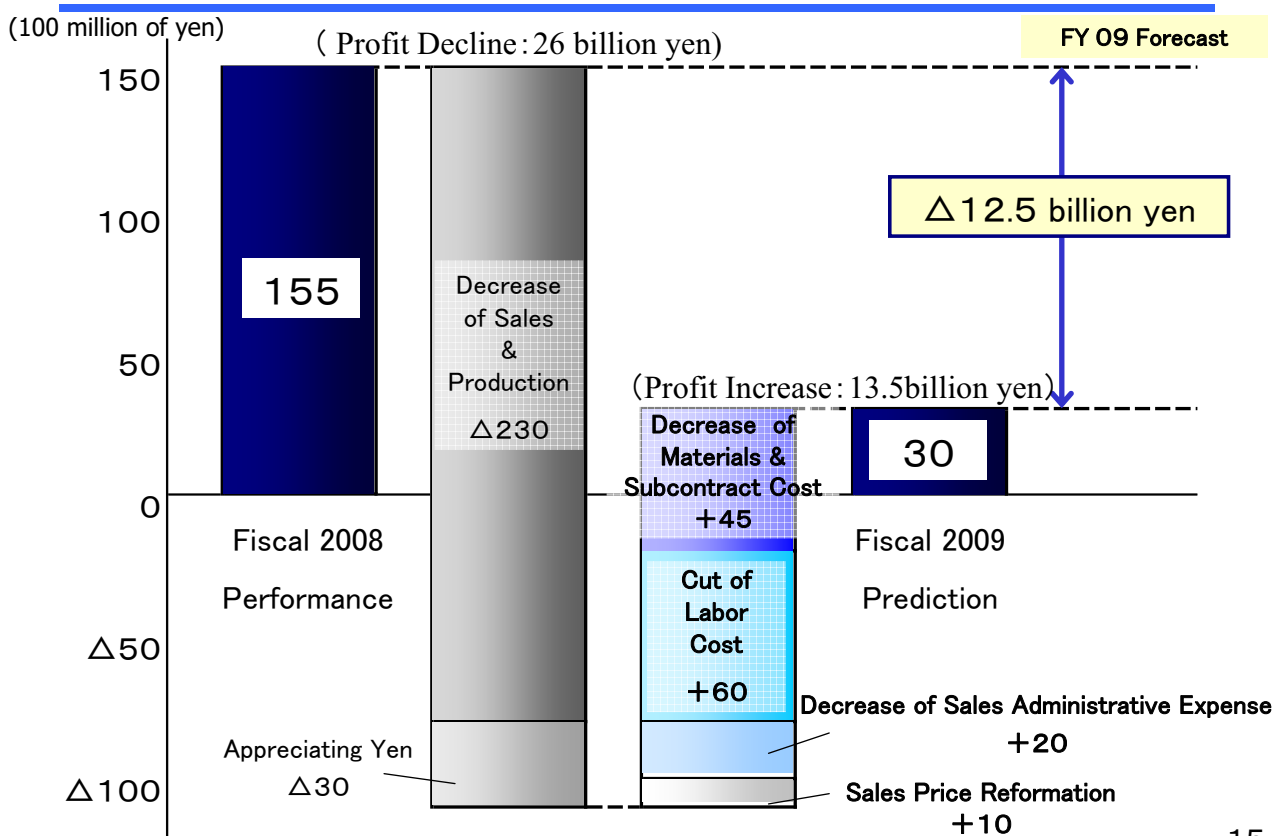
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Sales & Business Profit by Business Segments

FY 09 Forecast (100 million of yen)	Fiscal 2008 Performance (A)		Fiscal 2009 Projection (B)		Changes (%) (B)-(A)	
	Machine & Cutting Tools					
S a l e s	785	480	($\Delta 38.9\%$)	$\Delta 305$		
Business Profit	(5.1%) 40	(1.0%) 5	($\Delta 87.6\%$)	$\Delta 35$		
C o m p o n e n t s						
S a l e s	1,069	800	($\Delta 25.2\%$)	$\Delta 269$		
Business Profit	(9.1%) 97	(2.5%) 20	($\Delta 79.5\%$)	$\Delta 77$		
Materials & Others						
S a l e s	193	140	($\Delta 27.8\%$)	$\Delta 53$		
Business Profit	(8.7%) 16	(3.6%) 5	($\Delta 70.4\%$)	$\Delta 11$		
Total Sales Figures	2,048	1,420	($\Delta 30.7\%$)	$\Delta 628$		
Gross Business Profit Figures	(7.6%) 155	(2.1%) 30	($\Delta 80.7\%$)	$\Delta 125$		

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Factors of Fluctuating Business Profit Figures



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Prospects for 2009

1.Sales Prospects for 2009

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2.Future Outlook and Management Stance

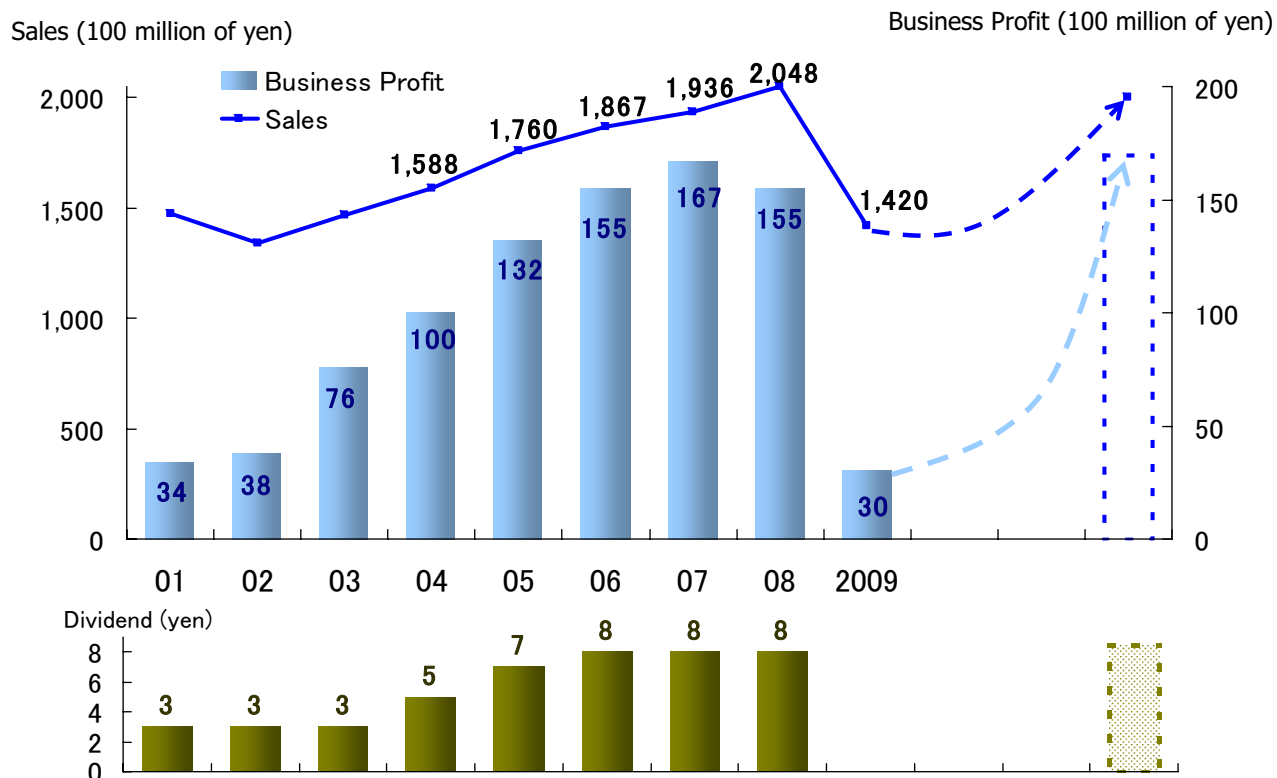
18~23

(1) Outlook on Management Environment

(2) Management Initiatives for New Economic Framework

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1. Sales Prospects for 2009



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2. Future Outlook and Management Initiatives for Nachi-Fujikoshi

(1) Outlook on management environment

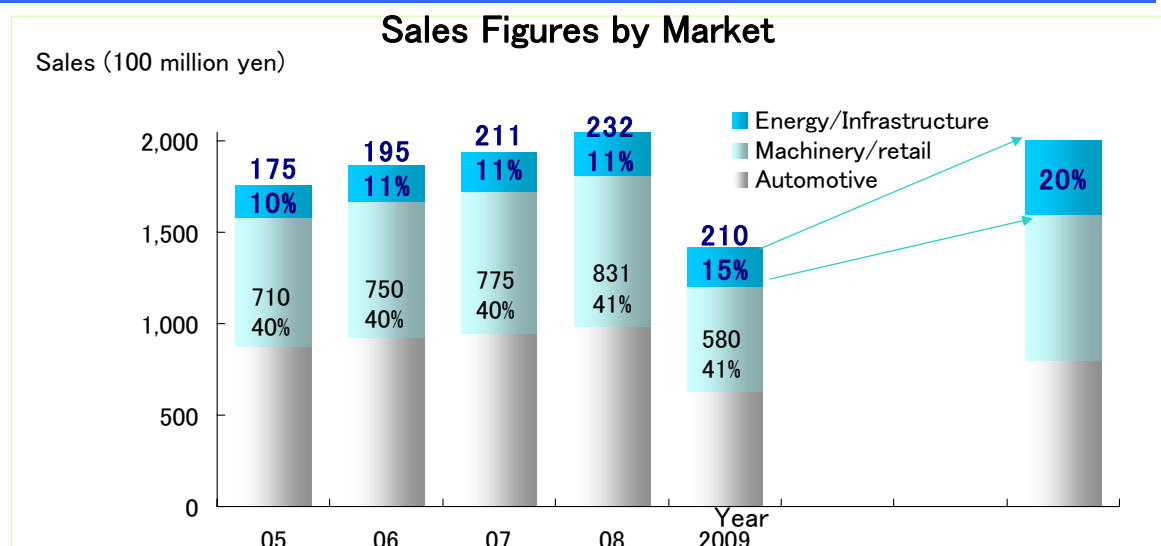
- Unpredictable conditions in the economic cycle
 - Three to five years needed for new economic framework to emerge.
 - Will not implement emergency measures.
 - Speed up implementation of existing policies.

(2) Management initiatives for new economic framework

- I. Expand market for energy and infrastructure
- II. Develop markets in emerging nations
- III. Centrally position engineering business
- IV. Strengthen profit base
- V. Build new management structure

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I. Expand Market for Energy and Infrastructure



<Energy and Infrastructure Industries>

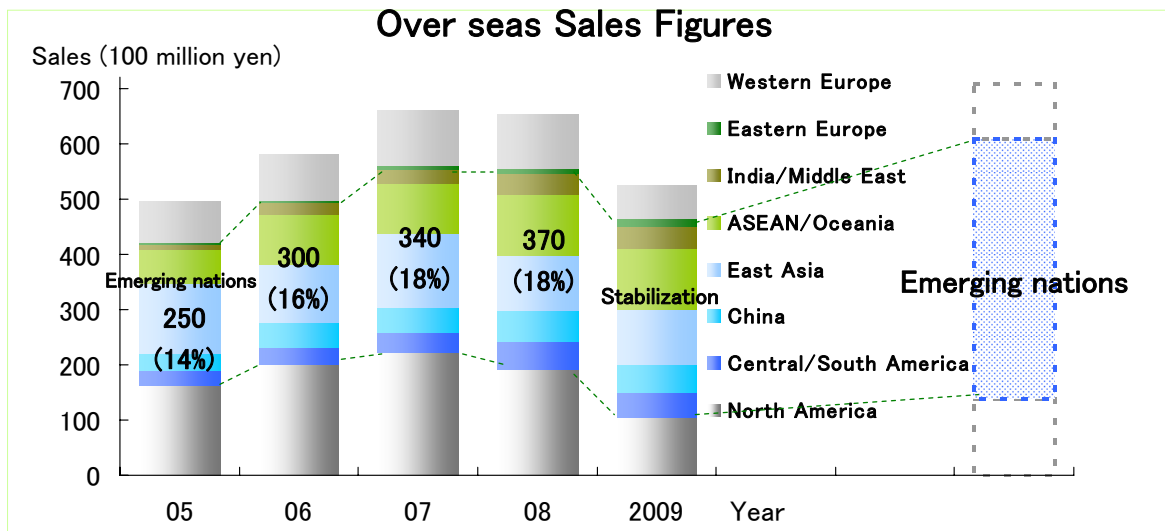
Aerospace, Railway vehicle, Shipbuilding, Environmental, Electric power generation, Energy, Steel, Heat treatment, Materials, Plant facilities, Construction machinery, Farm equipment...



- Focus expansion on emerging nations
- Markets that activate linking businesses

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II. Develop Markets in Emerging Nations

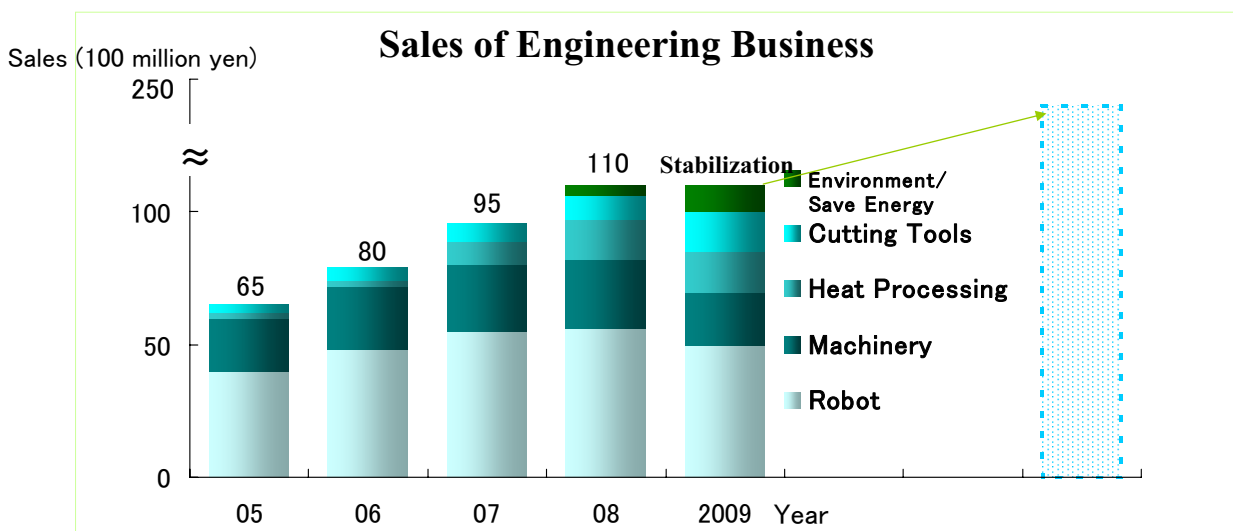


<Emerging nations>

- Open ASEAN business center in Thailand, strengthen engineering business
- Bolster production of motorcycle bearings in Brazil and Thailand
- Strengthen sales networks in Turkey, North Africa, Eastern Europe, and Central America (leverage alliances)

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III. Base on Engineering Business



<Engineering Business>

- Establishment of NACHI INDUSTRIAL SERVICE Co., Ltd
Provide productions systems that save energy, resources and man-power
- Start engineering service in Mexico, India, Thailand in addition to Japan, North America, China

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VI. Strengthen Profit Base (Solidify Core Businesses)

Reform profit structure

1. Strengthen functions for improving productivity and reducing costs

- i. Restructure procurement: Divide and expand procurement functions
- ii. Restructure production: Specialized teams that work across the entire company
- iii. Streamline logistics: Integrate inventory, reduce costs, shorten delivery times.

2. Review operations and labor system

Forge optimum operations and workforce

- Accelerate move to elite workforce, promote automation and robotization
- Shift to nimble demand driven operations

3. Carefully re-classify products and businesses

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V. Formulate New Management Structure

Management reform

1. Firm up management with Chairman & Chief Executive Officer structure

- i. President & Chief Operating Officer
- ii. Reduce number of directors
- iii. Appoint nine Corporate Officers
→ Give them authority to execute operations



- Strengthen management base
- Embrace diversity, expand business chances
- Cultivate the next generation of management

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NACHI

<http://www.nachi-fujikoshi.co.jp/>

Administered by Corporate Planning Dept.

TEL 03-5568-5210

FAX 03-5568-5215

These materials are produced based on expectations of future performance and business plans that are predicated on a continuation of current economic conditions and business policies.

Because of this, actual performance may vary from expected business performance due to fluctuations in demand, exchange rates and various other factors.