

Business Results

for the First Half of FY2022

July 22, 2022



Outline

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Business Results

for the First Half of FY2022

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Results for the First Half of FY2022

1H Actual

(Billion JPY)

	FY2021 1H(A)	FY2022 1H(B)	Increase/ Decrease (B) – (A)
Net Sales	112.0	122.0	(+9.0%) +10.0
Operating Income	(5.7%) 6.4	(6.6%) 8.1	(+25.9%) +1.7
Ordinary Income	(5.8%) 6.5	(7.2%) 8.7	(+34.8%) +2.2
Net Income attributable to owners of the parent	4.4	5.8	(+30.3%) +1.4
Exchange rate (USD) (EUR) (CNY)	JPY 106 JPY 128 JPY 16.4	JPY 119 JPY 132 JPY 18.5	13 JPY depreciation 4 JPY depreciation 2.1 JPY depreciation

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Consolidated Financial Data

1H Actual

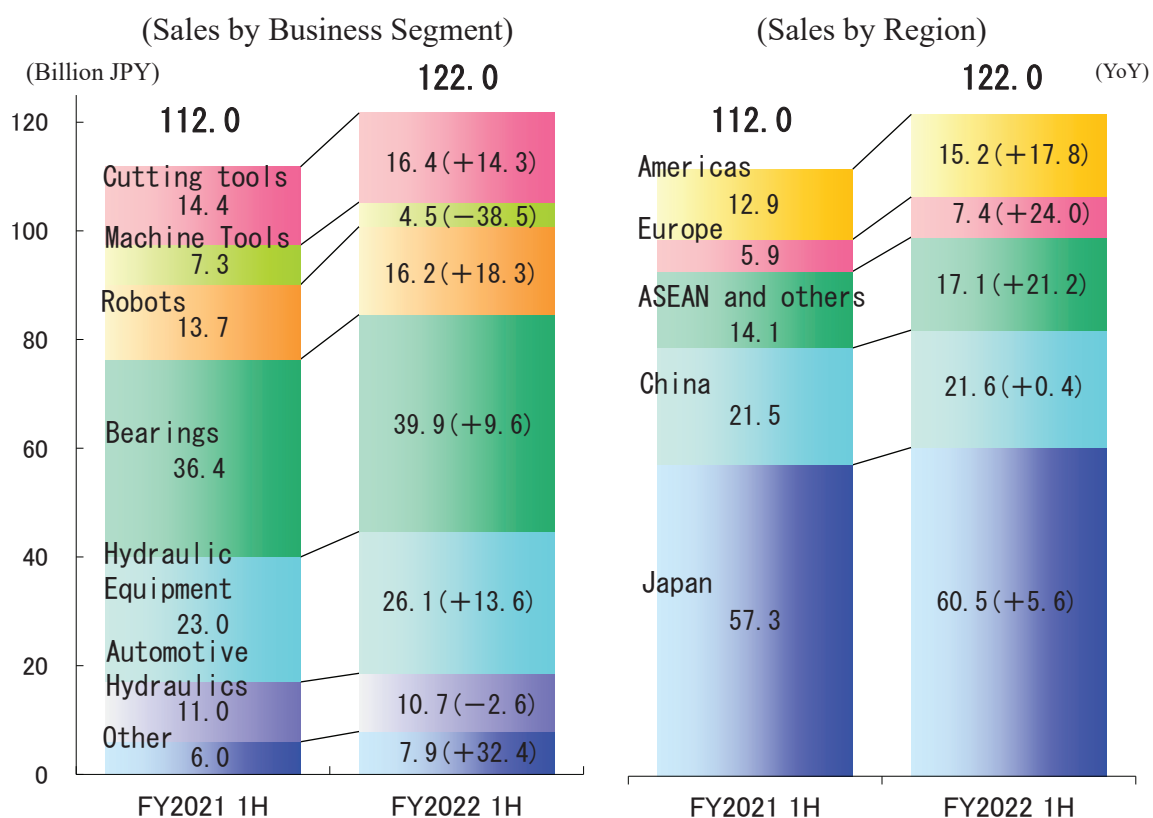
(Billion JPY)

	FY2021 1H(A)	FY2022 1H(B)	Increase/ Decrease (B) – (A)
ROE	7.5%	8.6%	+1.1pt
Total Assets	305.3	332.3	+27.0
Stockholder's Equity (Stockholder's Equity ratio)	(40.2%) 122.8	(42.5%) 141.1	+18.3
Interest-bearing Debts (Net D/E ratio)	(0.44) 92.1	(0.43) 91.9	-0.2
Facility Investment	5.9	9.8	+3.9
Depreciation and Amortization	8.3	8.7	+0.4
Number of Employees (persons)	7,282	7,297	+15

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Sales by Business Segment and Region

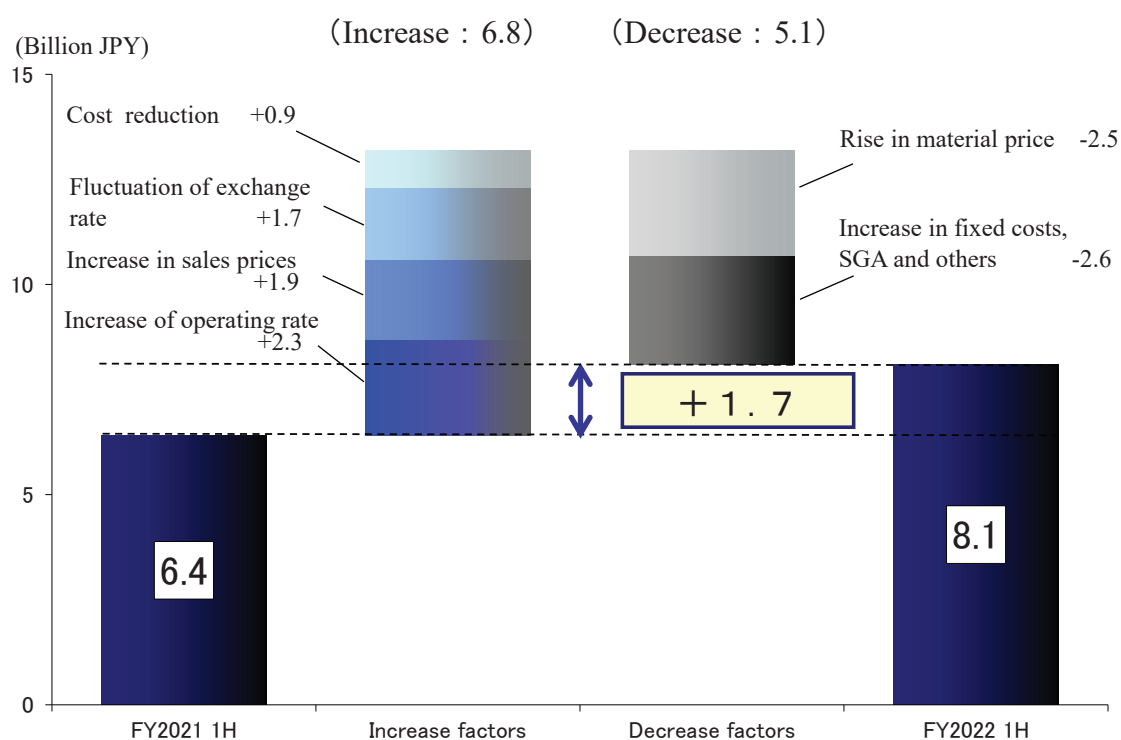
1H Actual



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Operating Income Analysis

1H Actual



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Sales and Operating Income by Business Segment

1H Actual

(Billion JPY)

		FY2021 1H(A)	FY2022 1H(B)	Increase/ Decrease (B) - (A)
Machinery & Tools	Cutting Tools	14.4	16.4	(+14.3%) +2.0
	Machine Tools	7.3	4.5	(-38.5%) -2.8
	Robots	13.7	16.2	(+18.3%) +2.5
	Net Sales	35.5	37.2	(+4.9%) +1.7
	Operating Income	(5.0%) 1.7	(8.3%) 3.1	(+73.7%) +1.4
Components	Bearings	36.4	39.9	(+9.6%) +3.5
	Hydraulic Equipment	23.0	26.1	(+13.6%) +3.1
	Automotive Hydraulic	11.0	10.7	(-2.6%) -0.3
	Net Sales	70.4	76.8	(+9.0%) +6.4
	Operating Income	(6.6%) 4.6	(5.7%) 4.3	(-6.5%) -0.3
Other	Net Sales	6.0	7.9	(+32.4%) +1.9
	Operating Income	(-0.8%) -0.0	(8.1%) 0.6	+0.6
Total Net Sales		112.0	122.0	(+9.0%) +10.0
Total Operating Income		(5.7%) 6.4	(6.6%) 8.1	(+25.9%) +1.7

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Business Forecast for FY2022

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Consolidated Financial Highlights(FY2022 Plan) **FY2022e**

(Billion JPY)

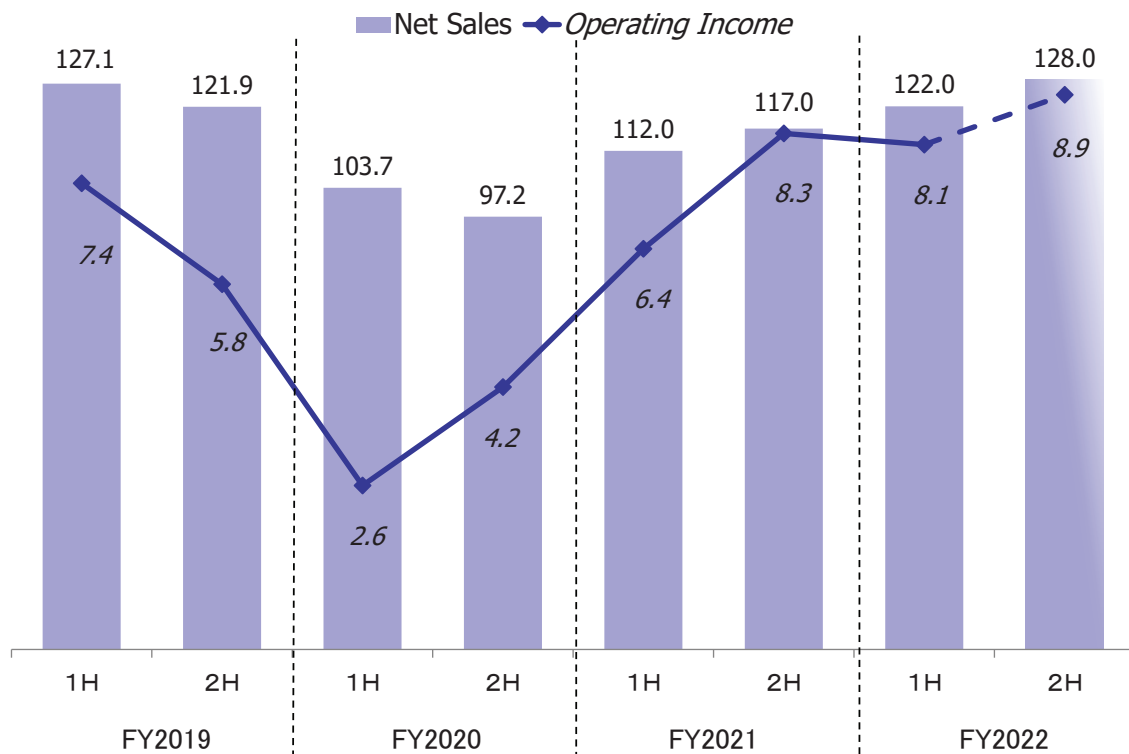
	FY2021 (A)	FY2022 Plan (B)	Increase/ Decrease (B) – (A)
Net Sales	229.1	250.0	(+9.1%) +20.9
Operating Income	(6.4%) 14.7	(6.8%) 17.0	(+15.5%) +2.3
Ordinary Income	(6.3%) 14.4	(6.4%) 16.0	(+10.7%) +1.6
Net Income attributable to owners of the parent	9.9	11.0	(+10.1%) +1.1
Exchange rate (USD) (EUR) (CNY)	JPY 108 JPY 129 JPY 16.8	JPY 122 JPY 134 JPY 18.8	14 JPY depreciation 5 JPY depreciation 2.0 JPY depreciation
Cash Dividends	JPY 100	JPY 100	—

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Trend of business results every half year

FY2022e

(Billion JPY)

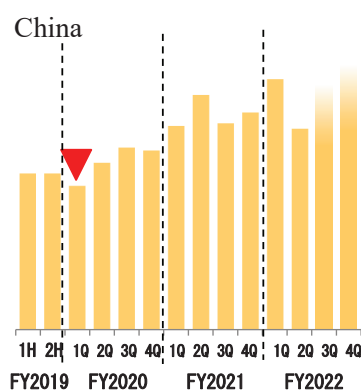
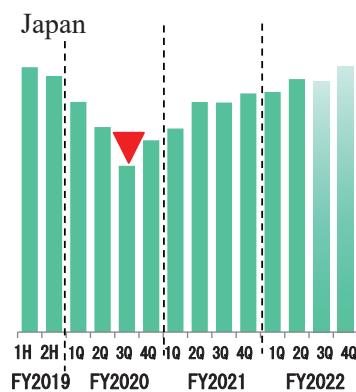


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Trends of the demand①

FY2022e

(Trends by Region)



Japan

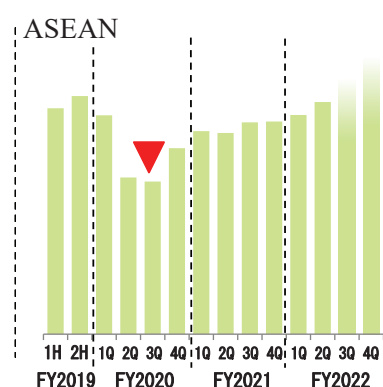
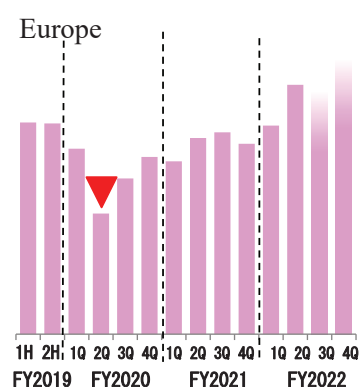
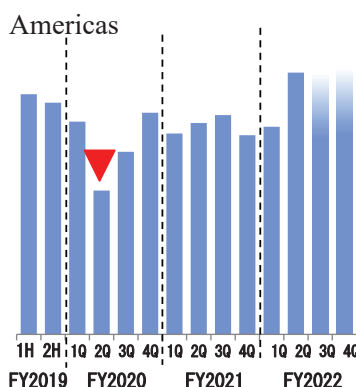
Industrial machine and retail are recovering and expanding.

China

Demand has decreased due to lockdown, but it will recover rapidly after that.

Europe, Americas, and ASEAN

Automobile and industrial machine will recover gradually.

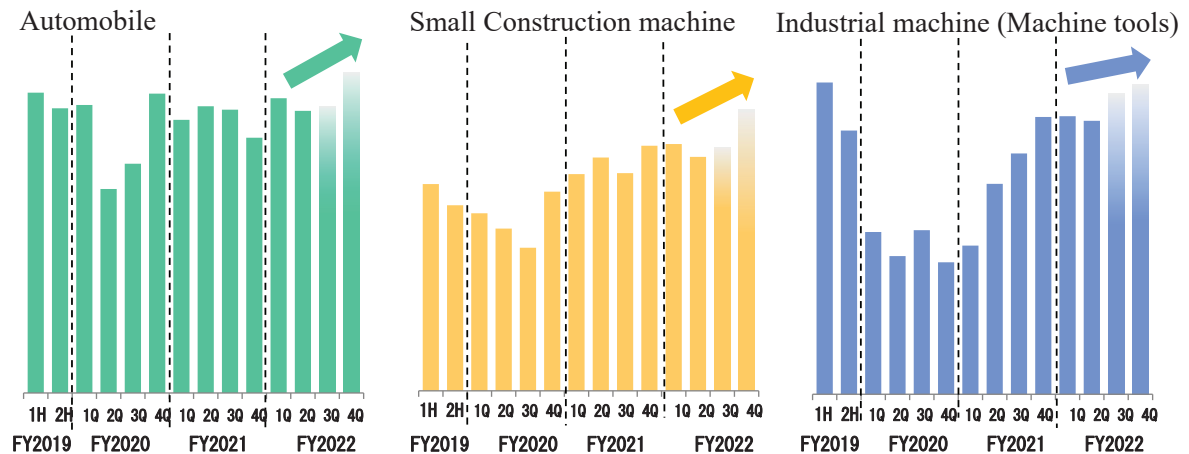


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Trends of the demand②

FY2022e

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



(Trends of main industries)

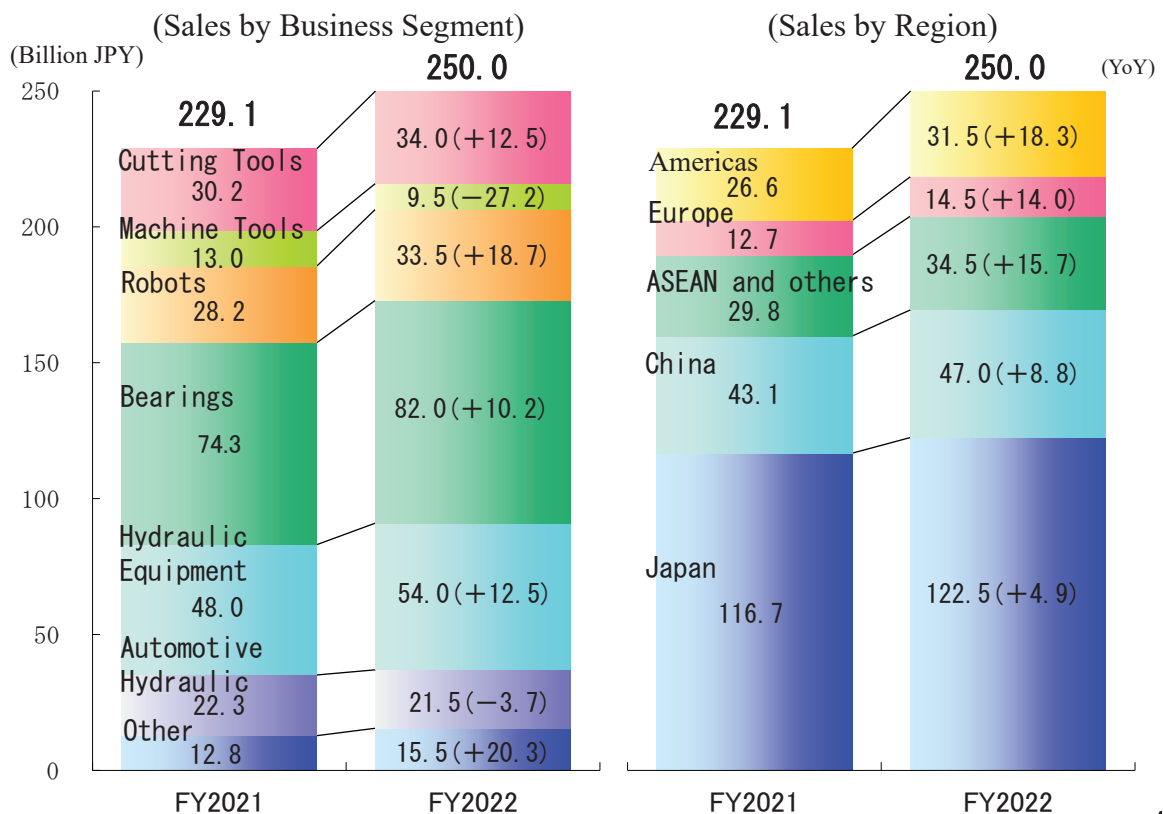
Automobile : Despite the influence of prolonged parts shortage, the demand will recover from the latter of the second half year.

Construction machine : The high level of production will continue in China, Europe, Americas and so on.

Industrial machine : Although the supply of electrical and electronic parts is tight, machine tools will still be in high demand.

Sales by Business Segment and Region

FY2022e



Sales and Operating Income by Business Segment

FY2022e

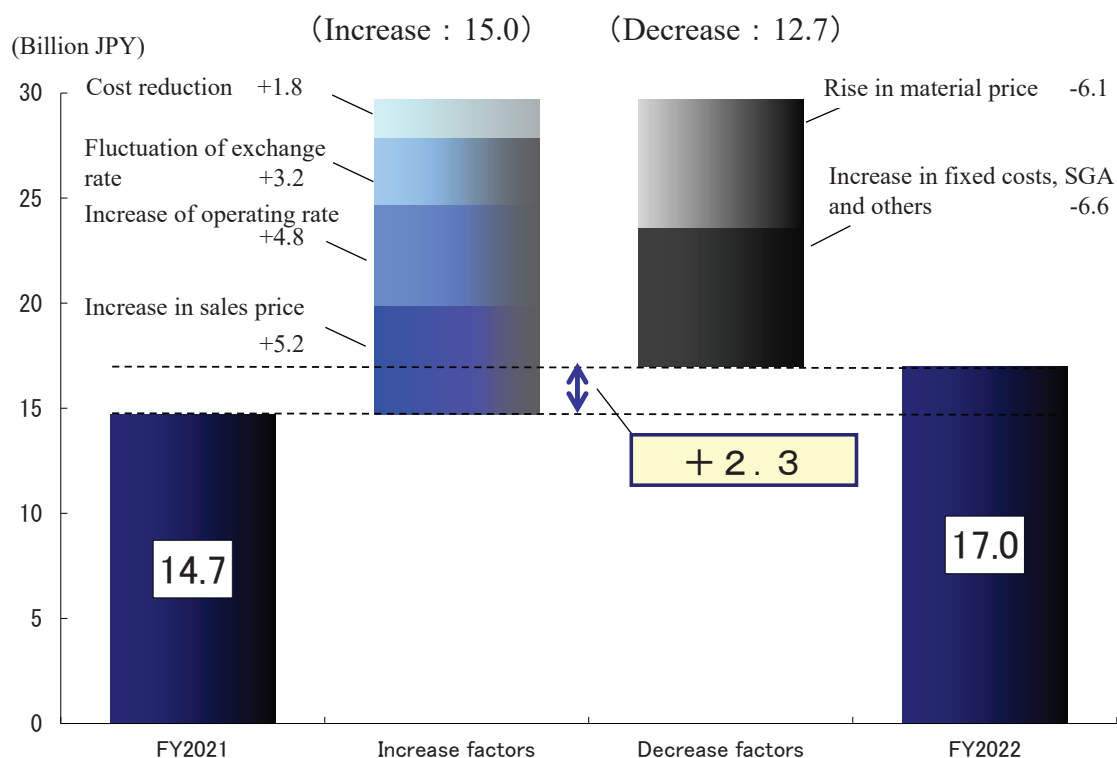
(Billion JPY)

		FY2021 (A)		FY2022 Plan (B)		Increase/ Decrease (B) – (A)	
Machinery & Tools	Cutting Tools	30.2		34.0		(+12.5%)	+3.8
	Machine Tools	13.0		9.5		(-27.2%)	-3.5
	Robots	28.2		33.5		(+18.7%)	+5.3
	Net Sales	71.4		77.0		(+7.7%)	+5.6
	Operating Income	(6.4%)	4.6	(8.2%)	6.3	(+36.7%)	+1.7
Components	Bearings	74.3		82.0		(+10.2%)	+7.7
	Hydraulic Equipment	48.0		54.0		(+12.5%)	+6.0
	Automotive Hydraulic	22.3		21.5		(-3.7%)	-0.8
	Net Sales	144.7		157.5		(+8.8%)	+12.8
	Operating Income	(6.8%)	9.9	(6.3%)	10.0	(+1.0%)	+0.1
Other	Net Sales	12.8		15.5		(+20.3%)	+2.7
	Operating Income	(0.8%)	0.0	(4.5%)	0.7	(+607.1%)	+0.7
Total Net Sales		229.1		250.0		(+9.1%)	+20.9
Total Operating Income		(6.4%)	14.7	(6.8%)	17.0	(+15.5%)	+2.3

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Operating Income Analysis

FY2022e



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(Billion JPY)

	FY2021 (A)	FY2022 Plan (B)	Increase/ Decrease (B) – (A)
ROE	8.1%	8.0%	–0.1pt
Total Assets	319.3	342.0	+22.7
Stockholder's Equity (Stockholder's Equity ratio)	(40.7%) 130.1	(42.4%) 145.0	+14.9
Interest-bearing Debts (Net D/E ratio)	(0.39) 90.4	(0.44) 96.0	+5.6
Facility Investment	16.3	21.5	+5.2
Depreciation and Amortization	16.8	17.8	+1.0
Number of Employees (persons)	7,205	7,380	+175

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Business Strategy

(Industrial machine and retail)

(Robots)

MZ F Series




Connector insertion application

(Round tools)



AquaREVO Drill series

(Hydraulic Equipment)



High-pressure variable displacement piston pumps

(Automobile)

- The shift to electric vehicle has been accelerated
- CASE has been ongoing



Actuator



Bearings for electric compressor



Skiving machining center

Increase the production capacity of round tools



CS Drill



Hyper Z Tap

Develop production system of hydraulic equipment for construction machine in Japan and China



Hydraulic motor factory



Hydraulic motors for small excavators

Raise the production of bearing for industrial machine



Precision bearing



Thin-walled, deep-groove ball bearing

Consolidated our factory function of standard bearings in Thailand



New factory in Thailand (Started operation in spring 2022)



Radial bearing

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.