

Business Results for FY2023

Jan 22,2024

NACHI NACHI-FUJIKOSHI CORP.

Outline

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Business Forecast for FY2024	8 ~16
Business Strategy	17~20

Business Results for FY2023

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Business Results for FY2023

FY2023

(Billions of JPY)

	FY2022 Actual (A)		FY2023 Actual (B)		Increase/ Decrease (B) – (A)
Net Sales	258.0		265.4		(+2.9%) +7.4
Operating Profit	(6.6%)	17.0	(4.5%)	11.8	(–30.3%) –5.2
Ordinary Profit	(6.6%)	17.1	(4.2%)	11.0	(–35.5%) –6.1
Profit attributable to owners of the parent	12.2		6.4		(–47.1%) –5.8
Exchange rate (JPY/1USD)	129		139		10 JPY depreciation
(JPY/1EUR)	136		150		14 JPY depreciation
(JPY/1CNY)	19.3		19.7		0.4 JPY depreciation
Cash Dividends per share (JPY)	110		110		–

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Consolidated Financial Data

FY2023

(Billions of JPY)

	FY2022 Actual (A)	FY2023 Actual (B)	Increase/ Decrease (B) – (A)
ROE	8.8%	4.2%	−4.6pt
Total Assets	357.4	370.3	+12.9
Stockholder's Equity (Stockholder's Equity ratio)	(41.7%) 148.9	(43.9%) 162.7	+13.8
Interest-bearing Debts (Net D/E ratio)	(0.44) 99.8	(0.47) 109.7	+9.9
Facility Investment	20.3	19.1	−1.2
Depreciation and Amortization	18.3	19.4	+1.1
Number of Employees (persons)	7,259	7,204	−55

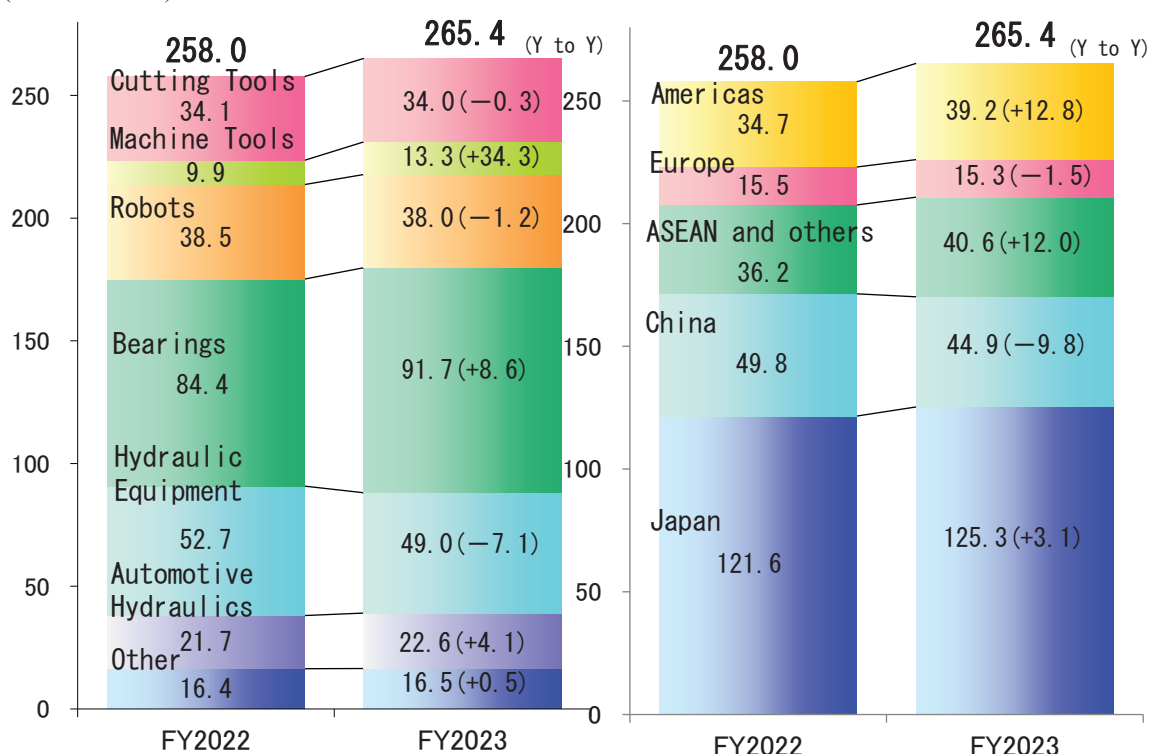
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Sales by Business Segment and Region

FY2023

(Sales by Business Segment)
(Billions of JPY)

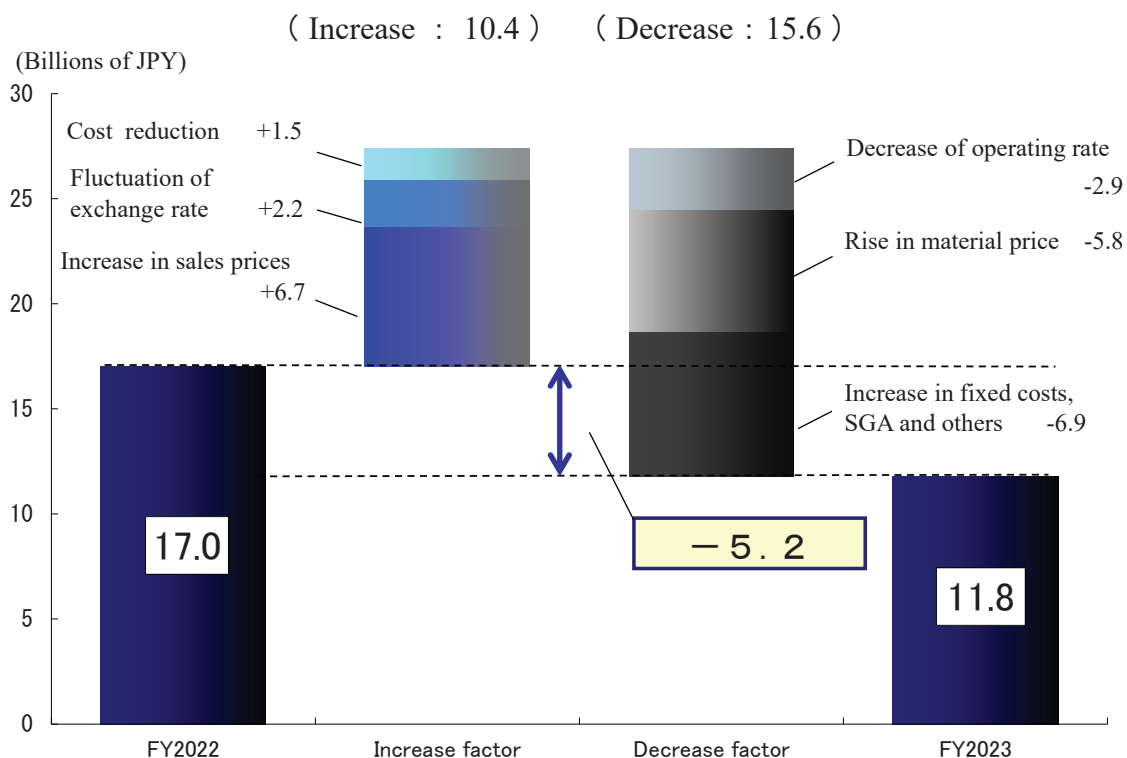
(Sales by Region)



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Operating Profit Analysis

FY2023



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Sales and Operating Profit by Business Segment

FY2023

(Billions of JPY)

		FY2022 Actual (A)	FY2023 Actual (B)	Increase/ Decrease (%) (B) - (A)
Machinery & Tools	Cutting Tools	34.1	34.0	(-0.3%) -0.1
	Machine Tools	9.9	13.3	(+34.3%) +3.4
	Robots	38.5	38.0	(-1.2%) -0.5
	Net Sales	82.6	85.4	(+3.4%) +2.8
	Operating Profit	(9.7%) 7.9	(7.5%) 6.4	(-19.7%) -1.5
Components	Bearings	84.4	91.7	(+8.6%) +7.3
	Hydraulic Equipment	52.7	49.0	(-7.1%) -3.7
	Automotive Hydraulic	21.7	22.6	(+4.1%) +0.9
	Net Sales	159.0	163.5	(+2.8%) +4.5
	Operating Profit	(4.8%) 7.6	(2.8%) 4.5	(-41.2%) -3.1
Other	Net Sales	16.4	16.5	(+0.5%) +0.1
	Operating Profit	(8.5%) 1.3	(5.9%) 0.9	(-30.4%) -0.4
Total Net Sales		258.0	265.4	(+2.9%) +7.4
Total Operating Profit		(6.6%) 17.0	(4.5%) 11.8	(-30.3%) -5.2

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Business Forecast for FY2024

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Consolidated Financial Highlights

FY2024

(Billions of JPY)

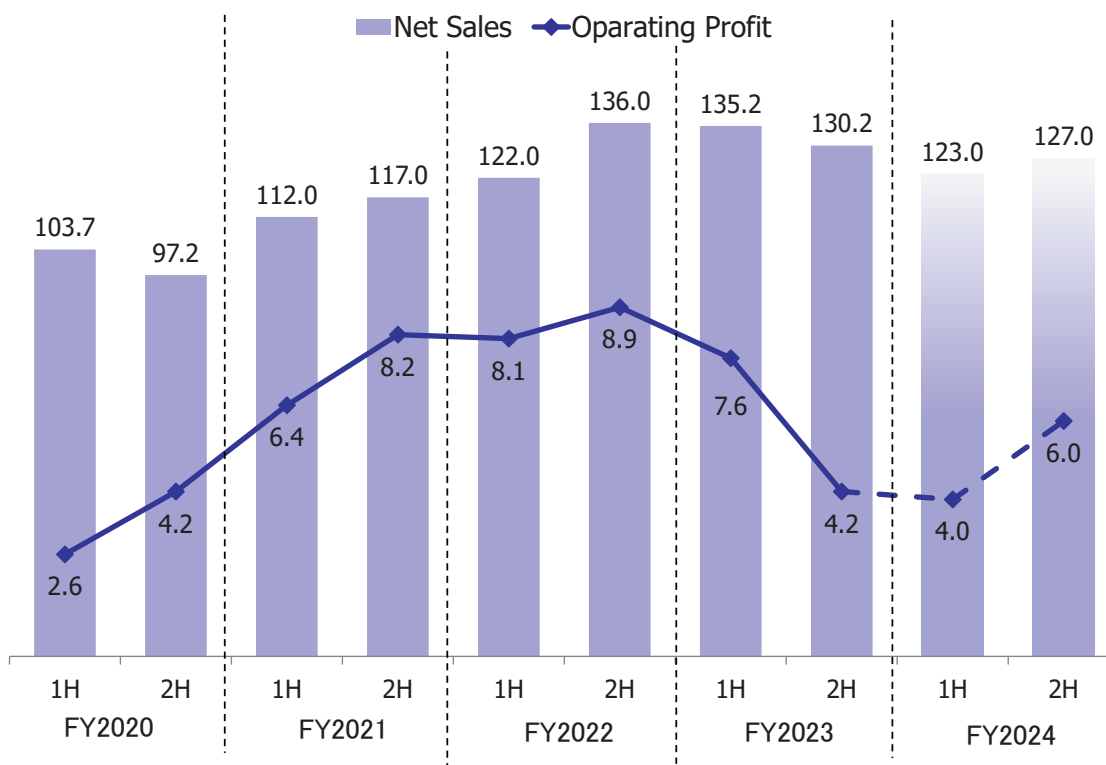
	FY2023 Actual (A)	FY2024 Forecast (B)	Increase/ Decrease (B) – (A)
Net Sales	265.4	250.0	(–5.8%) –15.4
Operating Profit	(4.5%) 11.8	(4.0%) 10.0	(–15.8%) –1.8
Ordinary Profit	(4.2%) 11.0	(3.6%) 9.0	(–18.4%) –2.0
Profit attributable to owners of the parent	6.4	6.0	(–7.3%) –0.4
Exchange rate (JPY/1USD) (JPY/1EUR) (JPY/1CNY)	139 150 19.7	135 145 19.5	4 JPY appreciation 5 JPY appreciation 0.2 JPY appreciation
Cash Dividend per share (JPY)	110	100	–10

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Trend of business results every half year

FY2024

(Billions of JPY)

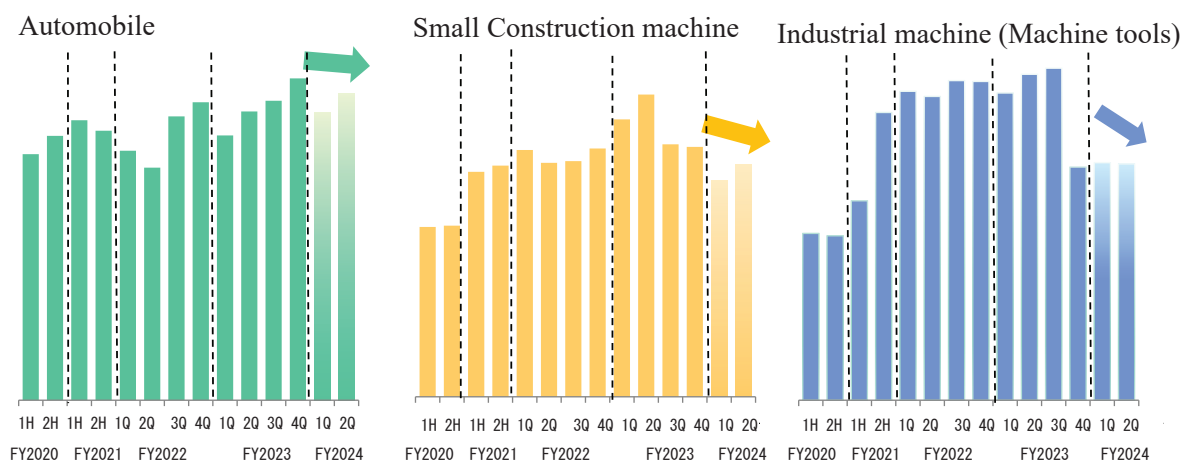


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Trends of the demand①

FY2024

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



(Trends of main industries)

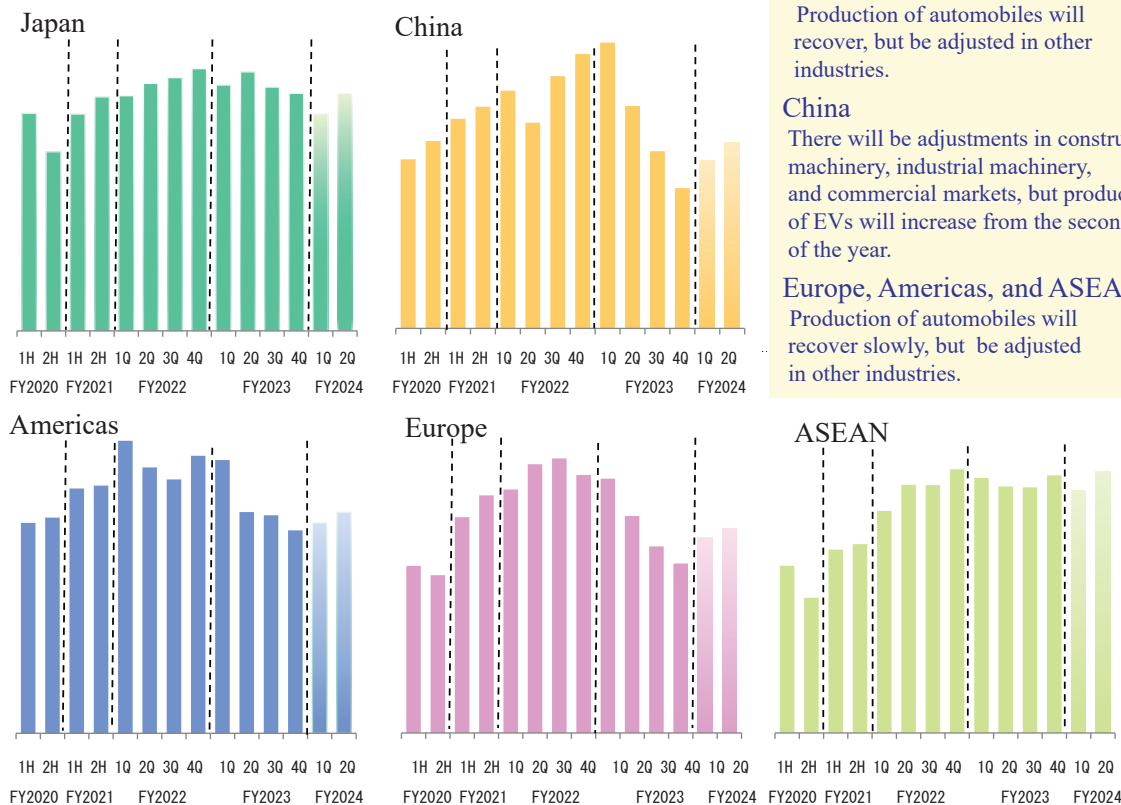
- Automobile : Domestic sales will continue to expand, but we must keep a close eye on overseas market conditions.
- Construction machine : Production adjustments will continue in China and Europe.
- Industrial machine : Although there will be variations by industry, the demand for machine tools will remain stagnant.

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Trends of the demand②

FY2024

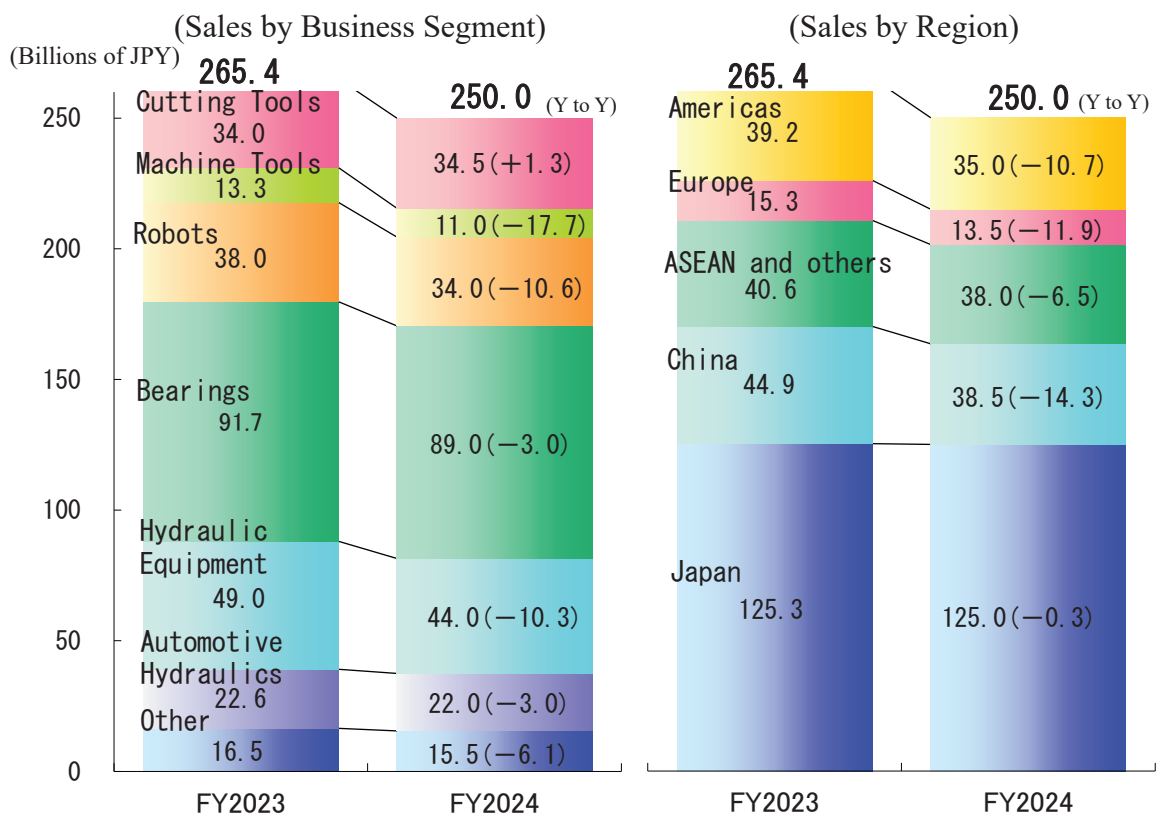
(Trends by Region)



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Sales by Business Segment and Region

FY2024



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Sales and Operating Profit by Business Segment

FY2024

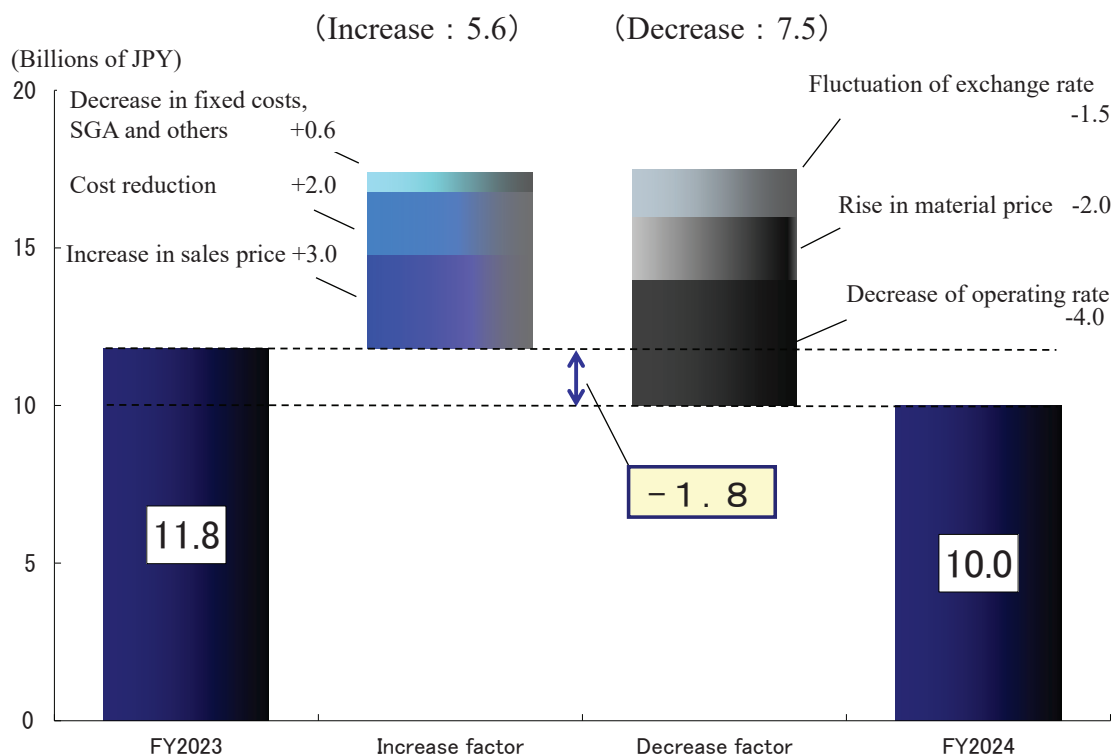
(Billions of JPY)

		FY2023 Actual (A)	FY2024 Forecast (B)	Increase/ Decrease (%)	(B) – (A)
Machinery & Tools	Cutting Tools	34.0	34.5	(+1.3%)	+0.5
	Machine Tools	13.3	11.0	(-17.7%)	-2.3
	Robots	38.0	34.0	(-10.6%)	-4.0
	Net Sales	85.4	79.5	(-7.0%)	-5.9
	Operating Profit	(7.5%) 6.4	(7.5%) 6.0	(-6.3%)	-0.4
Components	Bearings	91.7	89.0	(-3.0%)	-2.7
	Hydraulic Equipment	49.0	44.0	(-10.3%)	-5.0
	Automotive Hydraulic	22.6	22.0	(-3.0%)	-0.6
	Net Sales	163.5	155.0	(-5.2%)	-8.5
	Operating Profit	(2.8%) 4.5	(2.3%) 3.5	(-22.3%)	-1.0
Other	Net Sales	16.5	15.5	(-6.1%)	-1.0
	Operating Profit	(5.9%) 0.9	(3.2%) 0.5	(-48.6%)	-0.4
Total Net Sales		265.4	250.0	(-5.8%)	-15.4
Total Operating Profit		(4.5%) 11.8	(4.0%) 10.0	(-15.8%)	-1.8

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Operating Profit Analysis

FY2024



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(Billions of JPY)

	FY2023 Actual (A)	FY2024 Forecast (B)	Increase/ Decrease (B) – (A)
ROE	4.2%	3.7%	-0.5pt
Total Assets	370.3	365.0	-5.3
Stockholder's Equity (Stockholder's Equity ratio)	(43.9%) 162.7	(44.9%) 164.0	+1.3
Interest-bearing Debts (Net D/E ratio)	(0.47) 109.7	(0.45) 107.0	-2.7
Facility Investment	19.1	19.0	-0.1
Depreciation and Amortization	19.4	19.5	+0.1
Number of Employees (persons)	7,204	7,250	+46

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Business Strategy

Expand Industrial machine related sales

Business Strategy

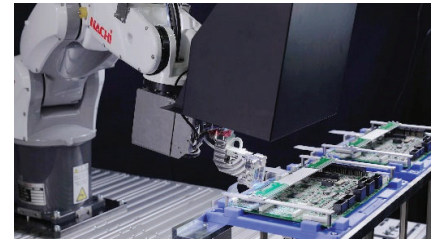
(For Electrical machine and EMS)



Compact collaborative robot
CMZ



MZ F series, CFDq

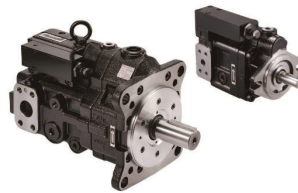


Connector insertion application

(For Industrial machinery)



Burrless series
(Drills • Taps • Endmills)



High-pressure variable
displacement piston pumps
PZH series



Ultracompact digital
control amplifier
EDX

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Expand EV related sales

Business Strategy

(Aqua REVO Drills Burrless)



(Assembly and transportation
robots also used for EV line)



Large robots such as SRA series

(Multi-tasking machine for
small parts)



Skiving machining center for Gears
(GMS series)

(Bearings for
motor and eAxle)



For electric units

(Hydraulics for
automation of driving)



Lock actuator

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Continue to increase sales price as raw material and energy prices rise

Promote cost reduction and productivity improvement

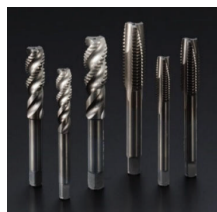
- Promote VA and VE activities to reduce costs while maintaining the quality
- Add a production line which is automated, mechanized and digitalized

Strengthen production system

- Expand production capacity of core products
- Expand production capacity for carbide drills in North America



High-performance High-speed tool steel drill and tap



Thin-walled, deep groove ball bearing



Precision bearing



NACHI TOOL AMERICA

Carbide drills



- Expand the production lines of hydraulic equipment for construction industries in Japan and China



The second factory for Hydraulic drive motor



NACHI

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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 various factors, including market fluctuations and currency fluctuations, which may result in a different earnings forecast.