

Explanatory Meeting on Account Settlement for the Term ended November 2011

January 25, 2012

NACHI NACHI-FUJIKOSHI CORP.

Contents

- | | |
|---|---------|
| 1. General overview of business performance | 2 to 7 |
| 2. Account settlement for fiscal 2011 and Outline of Plan for fiscal 2012 | 8 to 25 |

Results of fiscal 2011 and Plan for fiscal 2012

General overview of business performance

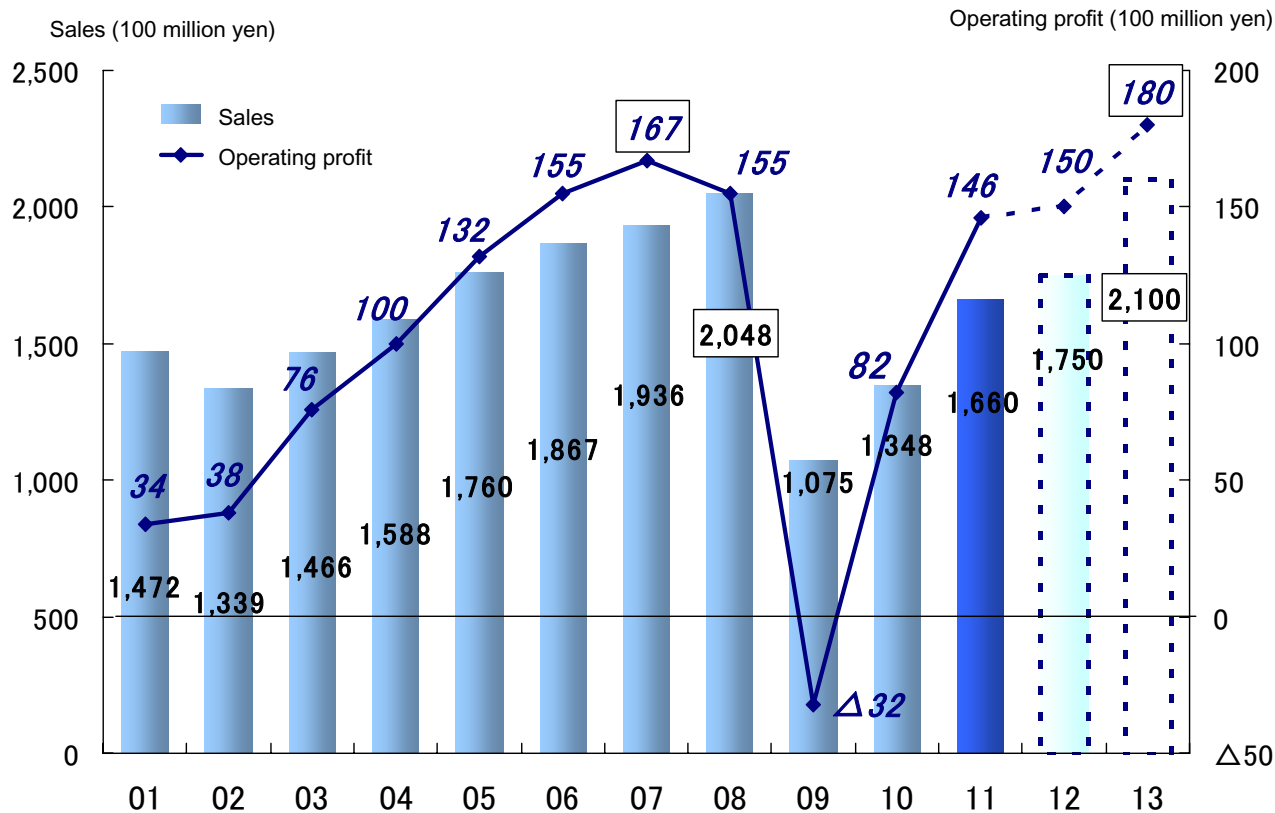
(in 100 million yen)

	Fiscal 2010 Results	Fiscal 2011 Results	Fiscal 2012 Plan
(Rate of increase)	(+25.3%)	(+23.2%)	(+5.4%)
Sales	1,348	1,660	1,750
Operating profit (Ratio)	(6.1%) 82	(8.8%) 146	(8.6%) 150
Current profit (Ratio)	(4.8%) 65	(4.8%) 129	(7.7%) 135
Net profit of the term	55	100	80
Dividend per share	4.0 yen	6.0 yen	6.0 yen

2

Transition of performance and Medium-term business objective

General overview of business performance



3

1. Expanding the emerging countries markets

- Structure business bases in the Chinese market

2. Create new commodities and new businesses

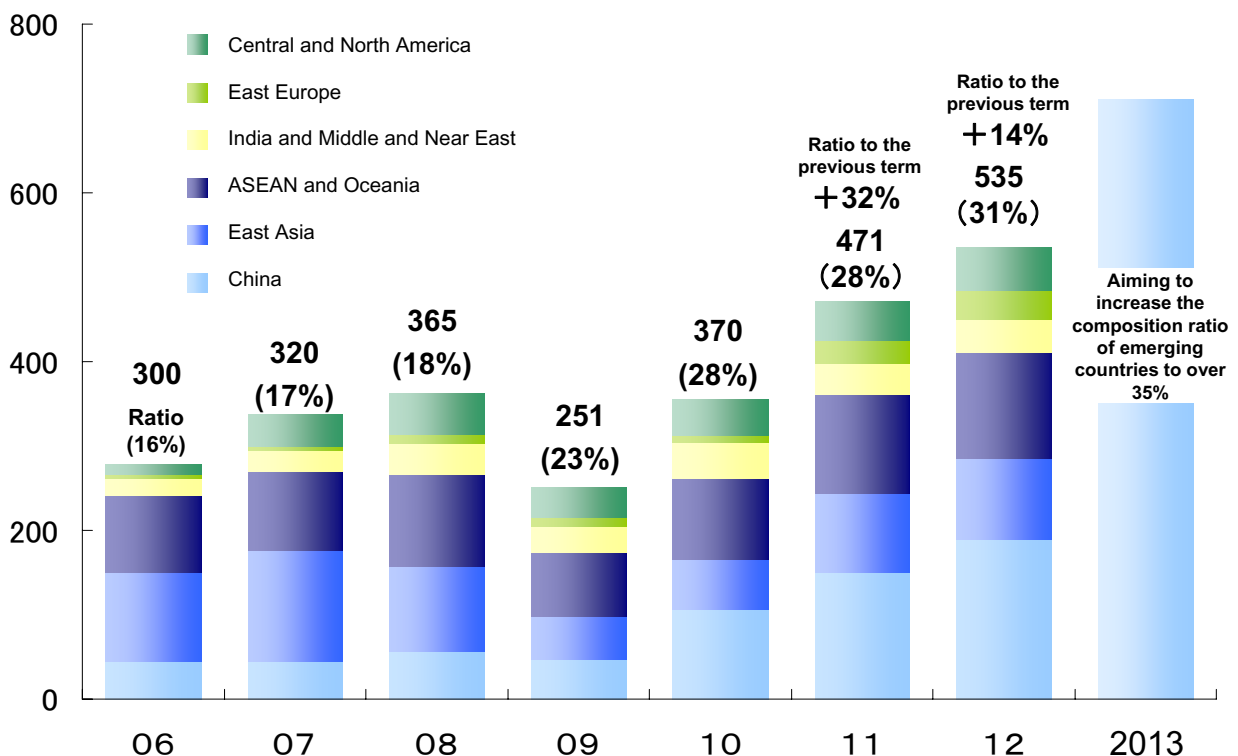
- Expand the products lineup

3. Strengthen and foster human resources

Making the emerging countries markets to play the role of an engine

Sales (100 million yen)

OTransition of sale to emerging countries



Chinese market

(1) Strengthen the business structure

(i) **Augment the local sales staff**

Current 100 persons → 200 persons

(ii) Upgrade and expand the sales and servicing bases



A new production base in Jiangsu (Rendering)

(2) Strengthen the local production structure

(i) **Newly construct a core production base**

A plant site has been acquired in Jiangsu

→ Construction work to be started in June 2012

Completion and start of production planned to occur in January 2013

Production items: Hydraulic equipment (for automobiles, construction machinery and industrial machinery), industrial tools, etc.

(ii) Extend existing bearing-manufacturing plants (in Shanghai and Dongguan)

6

Expand the products lineup

Super-high speed robot "SRA Series"

○ **The world's highest-speed**

Shorten the cycle time in the automotive welding line by 30%

○ **Space-saving size**

The compact design enables the installation with a high-density plant layout, reducing the installation area and line to 2/3.

○ **Energy-saving**

The weight has been reduced by 20%, reducing the power consumption by 15%.



7

Outline of Fiscal 2011 Account Settlement

8

Outline of 2011 consolidated account settlement 2011 Results

(in 100 million yen)

	Fiscal 2010 Results (A)		Fiscal 2011 Results (B)		Increase/Decrease (percentage) (B) – (A)	
Sales		1,348		1,660	(+23.2%)	+312
Operating profit	(6.1%)	82	(8.8%)	146	(+77.6%)	+63
Current profit	(4.8%)	65	(7.8%)	129	(+98.7%)	+64
Extraordinary profit		12		0		△11
Extraordinary loss		2		7		+4
Net profit of the term		55		100	(+80.1%)	+44

9

Financial data

2011 Results

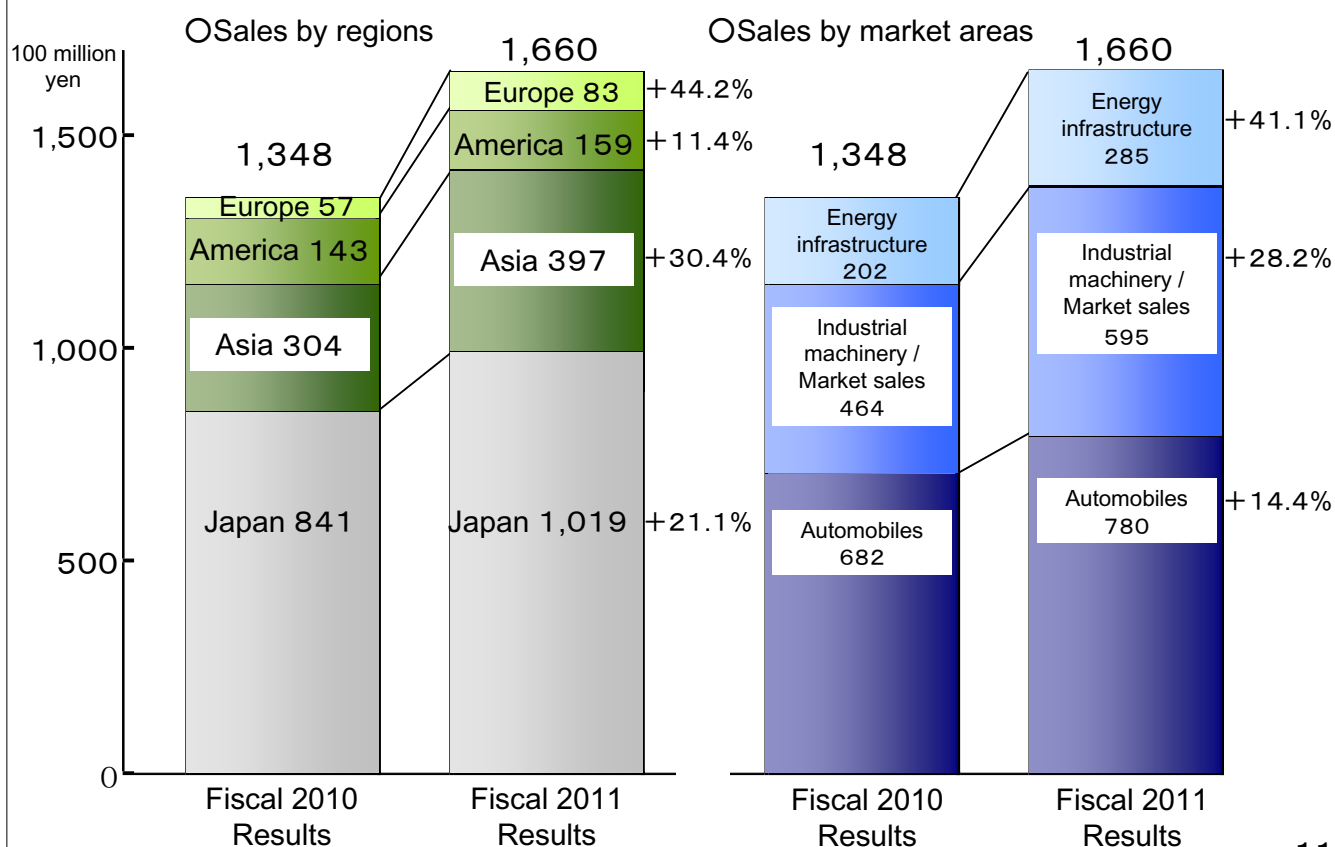
(in 100 million yen)

	Fiscal 2010 Results (A)	Fiscal 2011 Results (B)	Increase/Decrease (percentage) (B) – (A)
Collective assets	1,705	1,797	+92
Accounting capital (Capital-to-assets ratio)	(30.5%) 519	(32.4%) 581	+62
Interest-bearing liabilities (Net D/E ratio)	(0.9 fold) 639	(0.7 fold) 557	△82
Capacity investment	57	101	+44
Allowance for depreciation	92	95	+2
Number of employees and officers	5,491	5,645	+154
Foreign exchange rates (US dollar) (Euro)	89 yen 121 yen	81 yen 112 yen	Yen value increased by 8 yen per dollar Yen value increased by 9 yen per Euro

10

Sales by regions and market areas

2011 Results

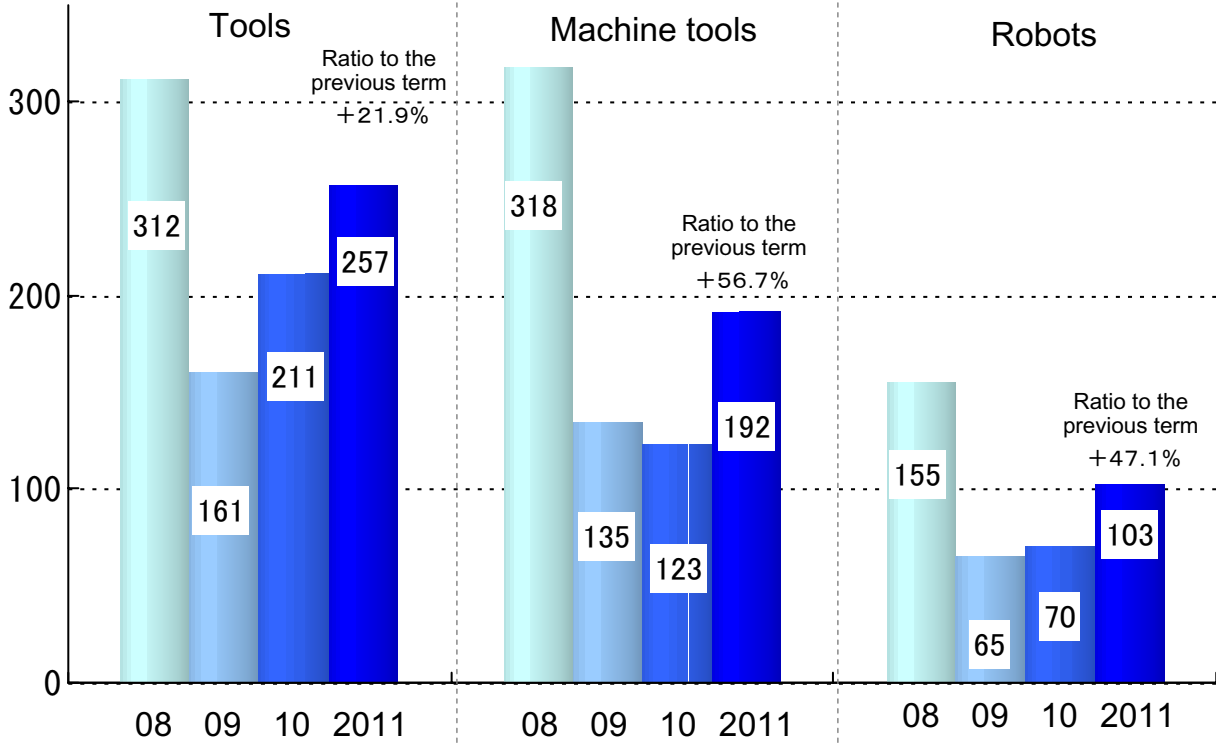


11

Sales by business categories (Machinery and tools) **2011 Results**

(in 100 million yen)

(in 100 million yen)

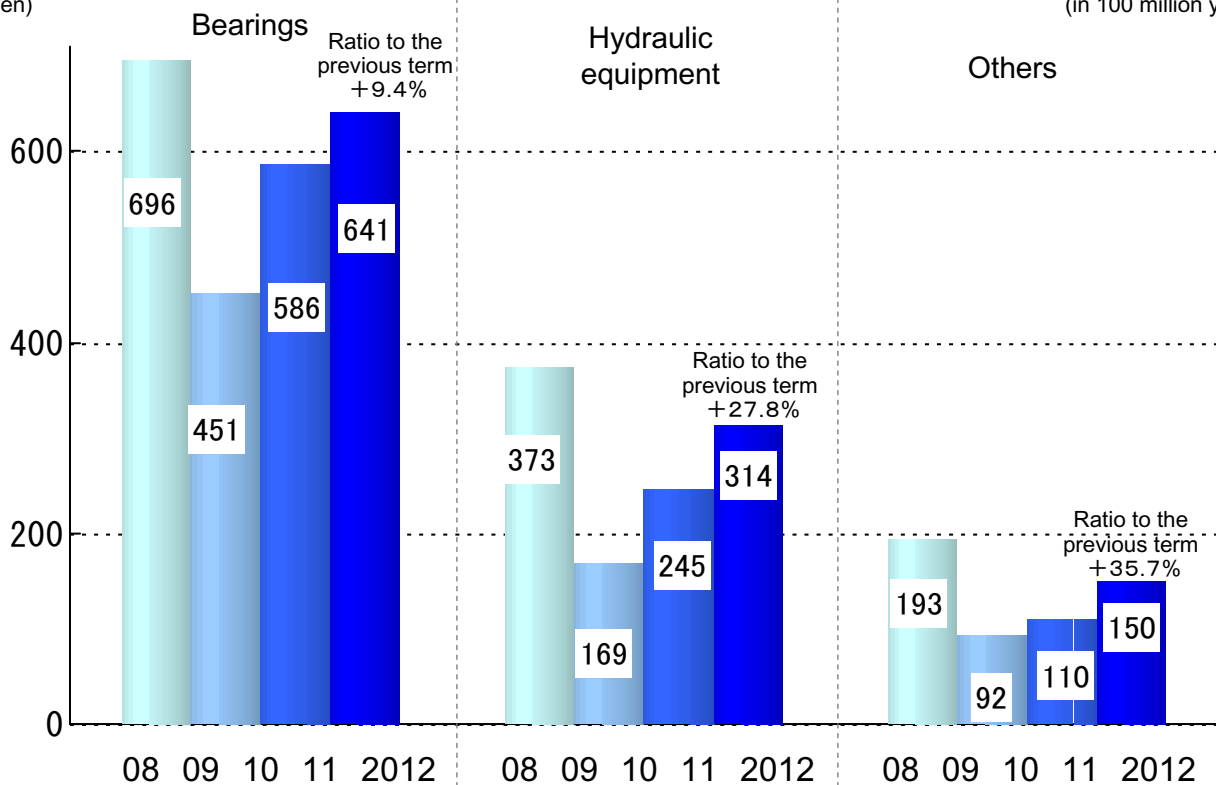


12

Sales by business categories (Parts and other items) **2011 Results**

(in 100 million yen)

(in 100 million yen)



13

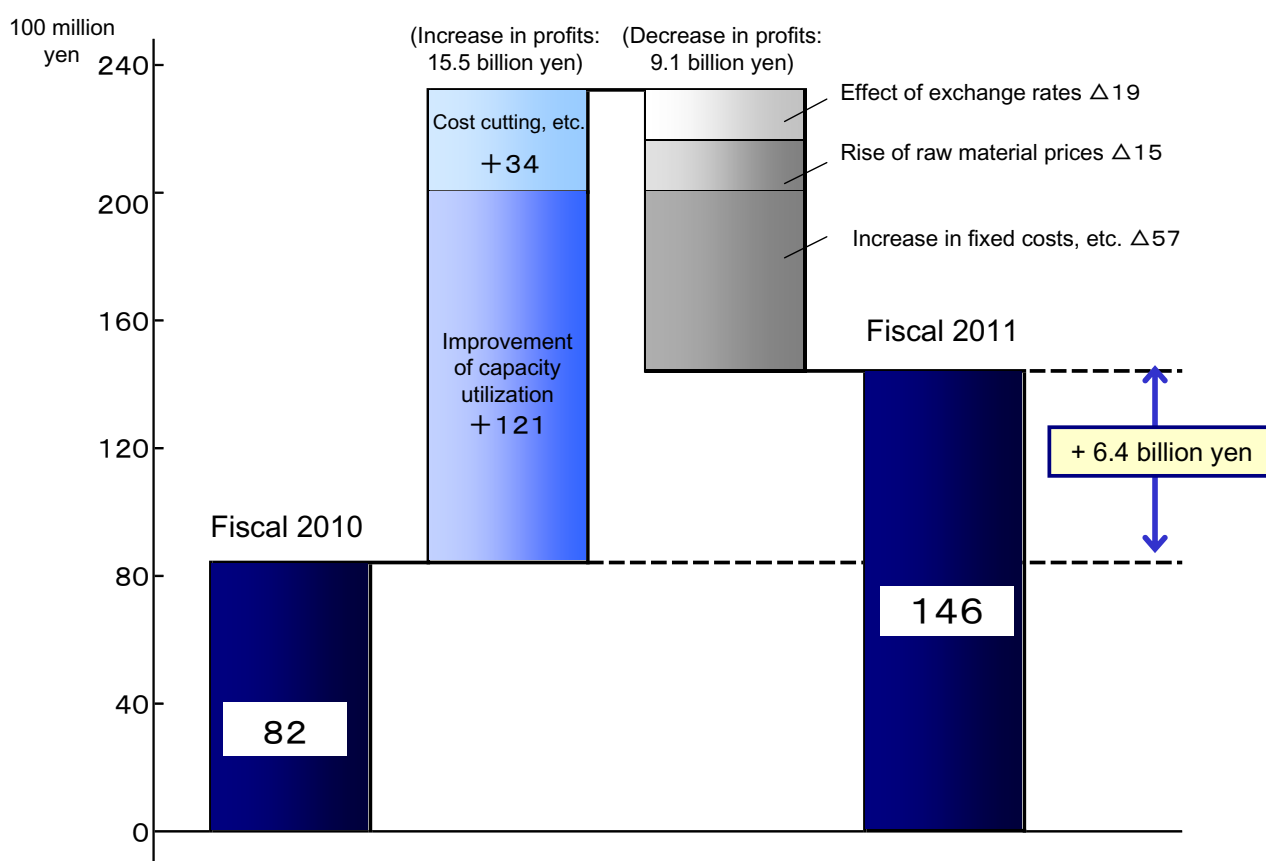
Sales and operating profits by business segments **2011 Results**

(in 100 million yen)

	Fiscal 2010 Results (A)	Fiscal 2011 Results (B)	Increase/Decrease (%) (B)–(A)
Machinery and tools business			
Sales	404	554	(36.9%) 149
Operating profit	(1.3%) 5	(8.1%) 44	(8.4 fold) 39
Parts business			
Sales	832	956	(14.8%) 123
Operating profit	(7.7%) 64	(8.3%) 79	(23.4%) 15
Other businesses			
Sales	110	150	(35.7%) 39
Operating profit	(11.4%) 12	(15.0%) 22	(78.1%) 9
Total sales	1,348	1,660	(23.2%) 312
Total operating profits	(6.1%) 82	(8.8%) 146	(77.6%) 63

14

Factors for increase/decrease in operating profits **2011 Results**



15

Outline of Fiscal 2012 Plan

16

Plan for fiscal 2012

2012 Plan

(in 100 million yen)

	Fiscal 2011 Results (A)		Fiscal 2012 Plan (B)		Increase/Decrease (percentage) (B) – (A)	
Sales		1,660		1,750	(+5.4%)	+89
Operating profit	(8.8%)	146	(8.6%)	150	(+2.4%)	+3
Current profit	(7.8%)	129	(7.7%)	135	(+4.5%)	+5
Extraordinary profit		0		0		△0
Extraordinary loss		7		0		△7
Net profit of the term		100		80	(△20.1%)	△19

17

Financial data

2012 Plan

(in 100 million yen)

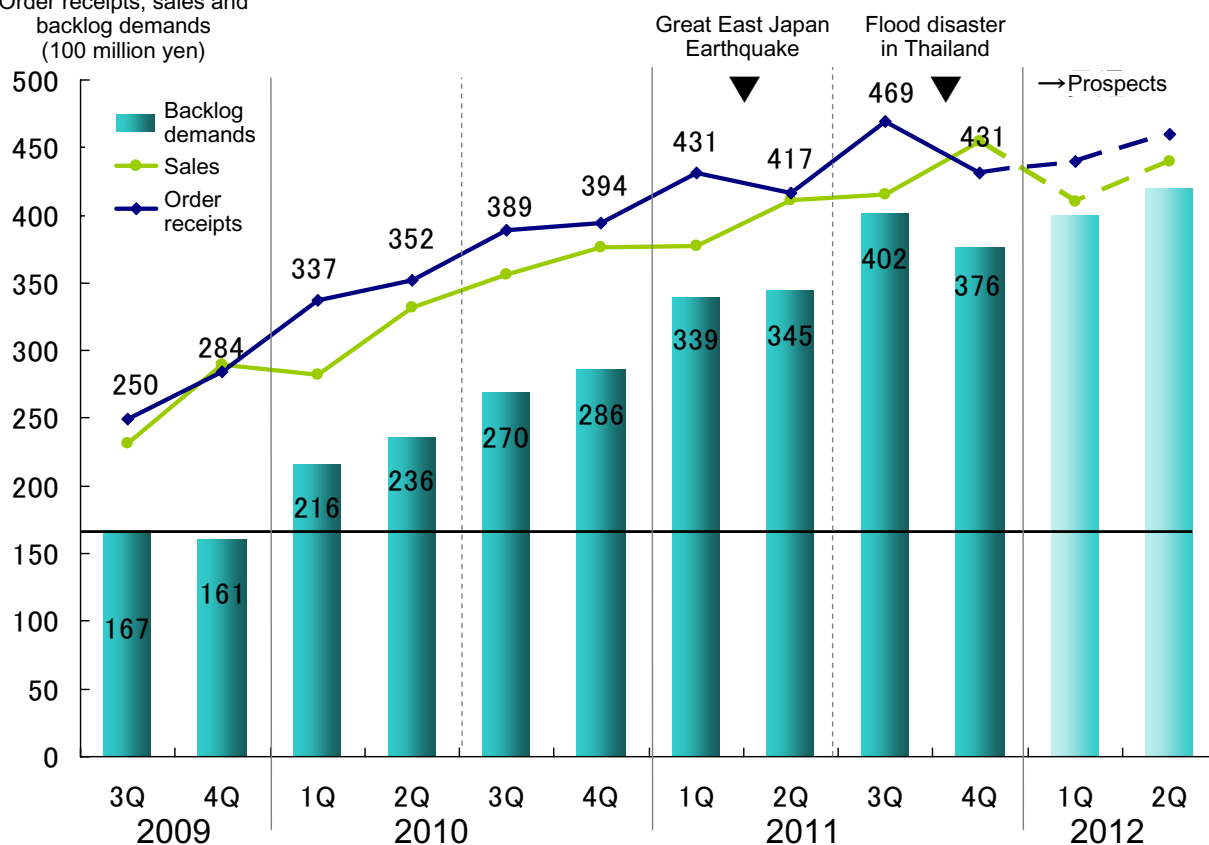
	Fiscal 2011 Results (A)	Fiscal 2012 Plan (B)	Increase/Decrease (percentage) (B) – (A)
Collective assets	1,797	1,980	+182
Accounting capital (Capital-to-assets ratio)	(32.4%) 581	(32.7%) 647	+65
Interest-bearing liabilities (Net D/E ratio)	(0.7 fold) 557	(0.7 fold) 670	+112
Capacity investment	101	150	+48
Allowance for depreciation	95	98	+2
Number of employees and officers	5,645	5,850	+205
Foreign exchange rates (US dollar) (Euro)	81 yen 112 yen	75 yen 105 yen	Yen value increased by 6 yen per dollar Yen value increased by 7 yen per Euro

18

Trends of order receipts, sales and backlog demands by quarter terms

2012 Plan

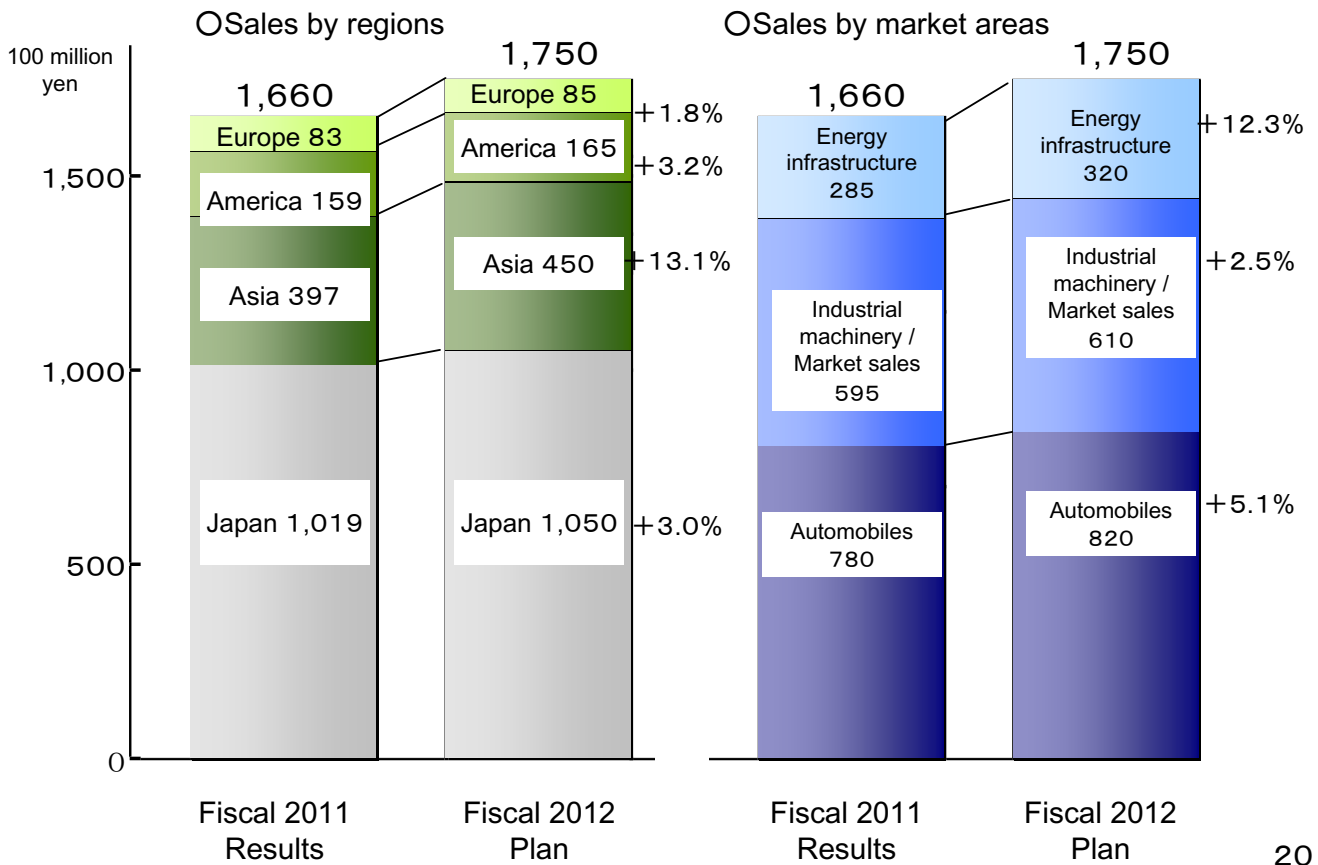
Order receipts, sales and backlog demands (100 million yen)



19

Sales by regions and market areas

2012 Plan

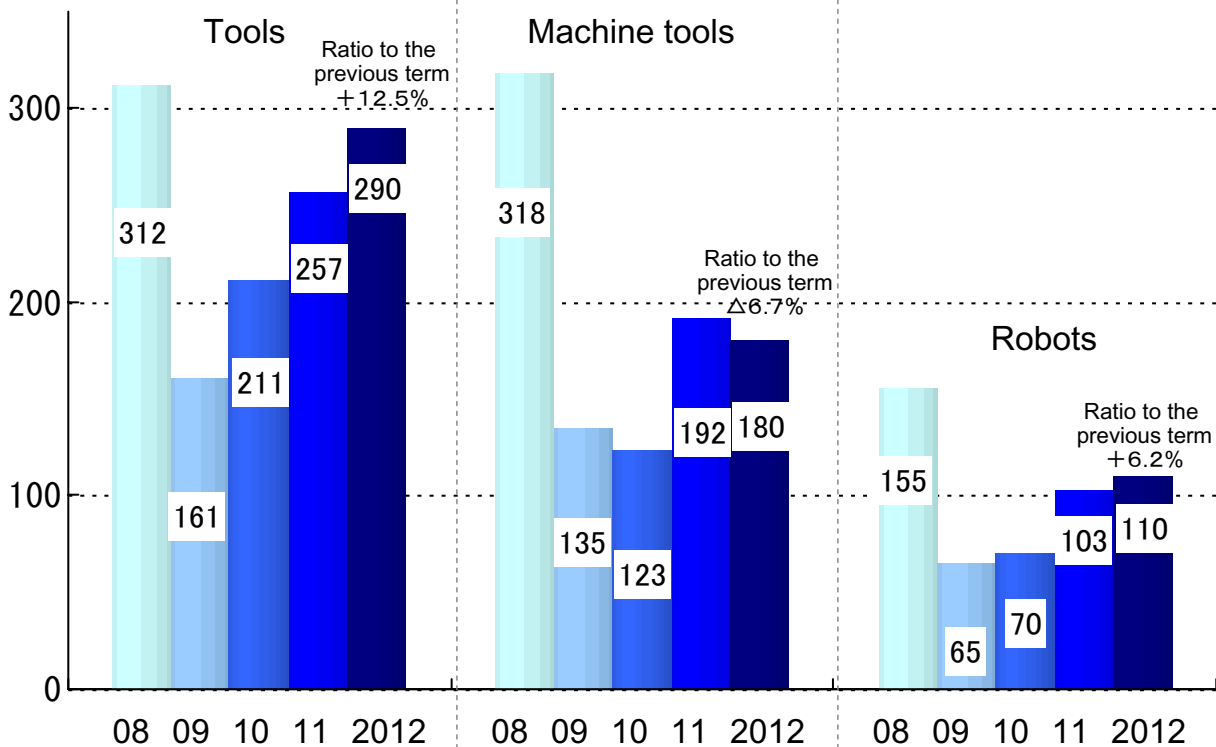


Sales by business categories (Machinery and tools)

2012 Plan

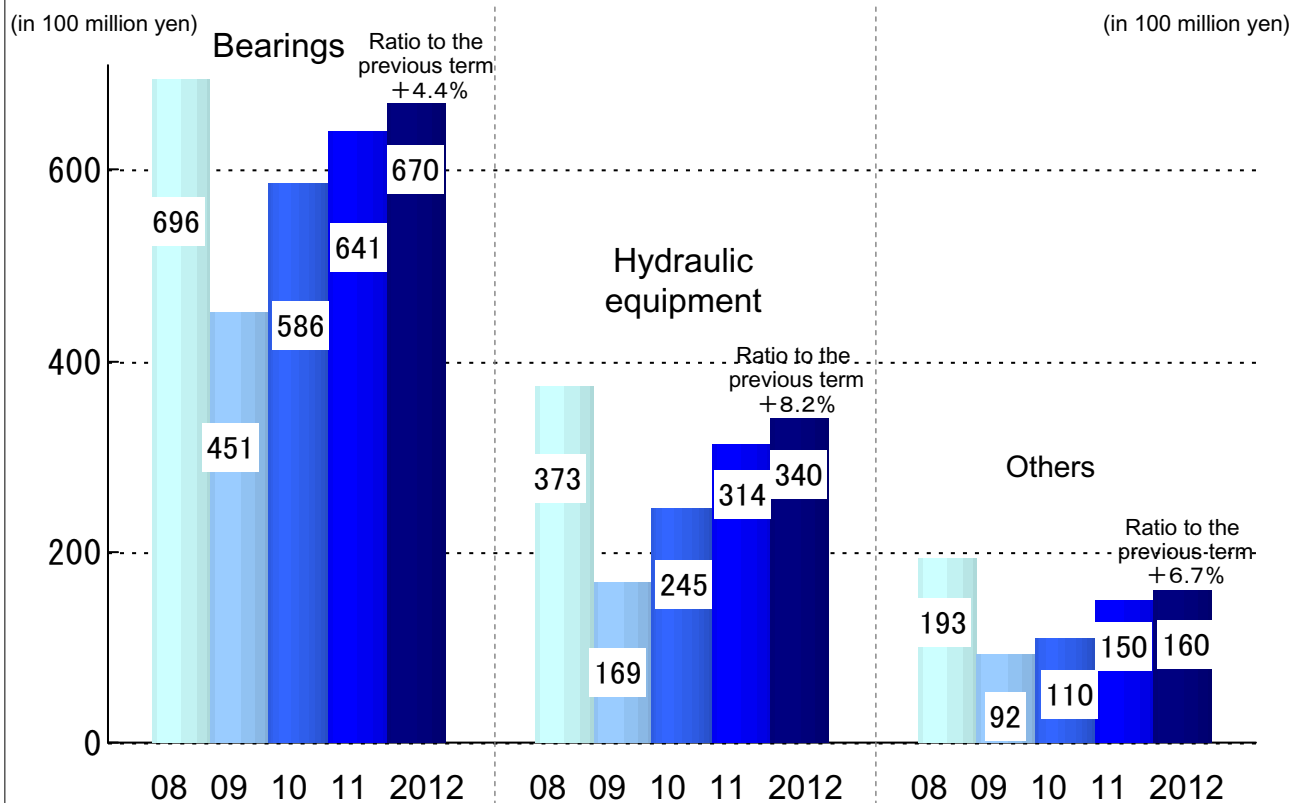
(in 100 million yen)

(in 100 million yen)



Sales by business categories (Parts and other items)

2012 Plan



22

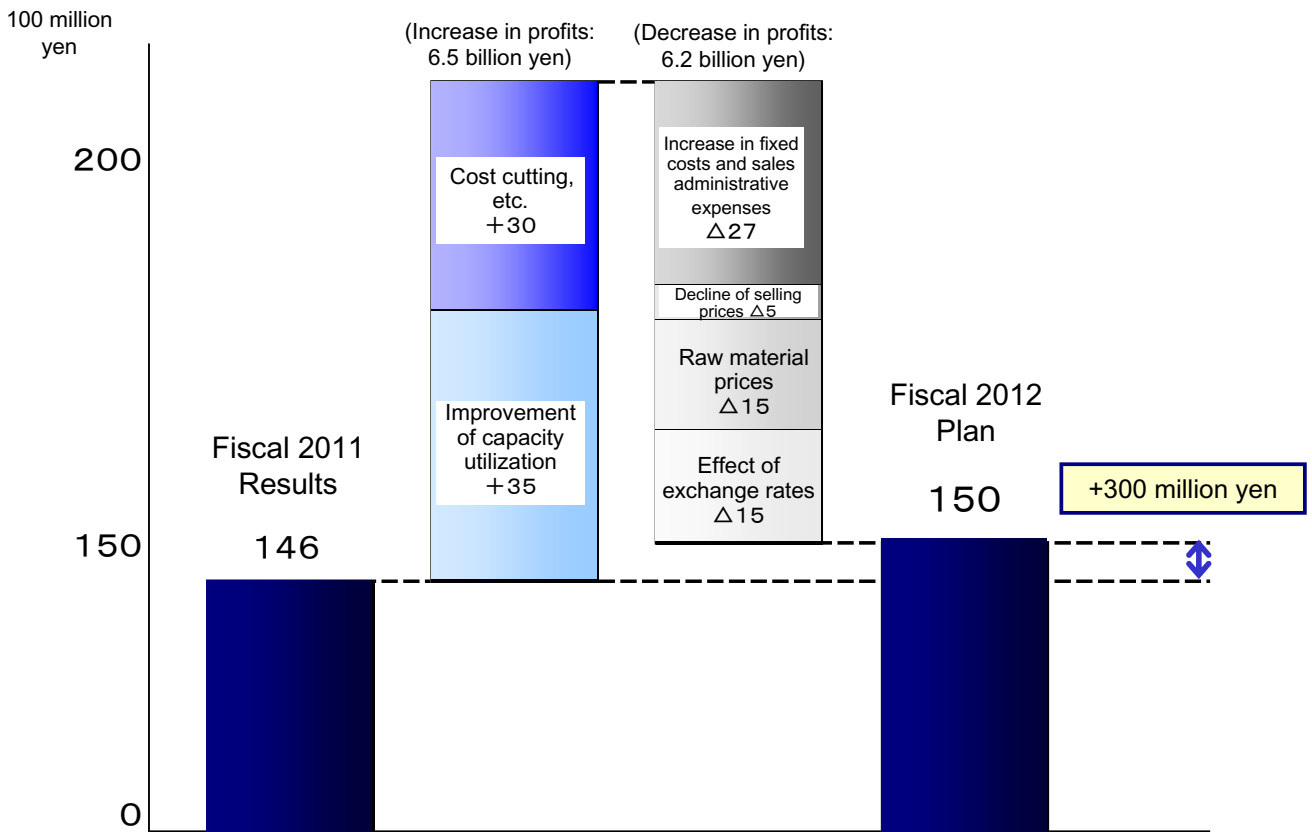
Sales and operating profits by business segments 2012 Plan

(in 100 million yen)

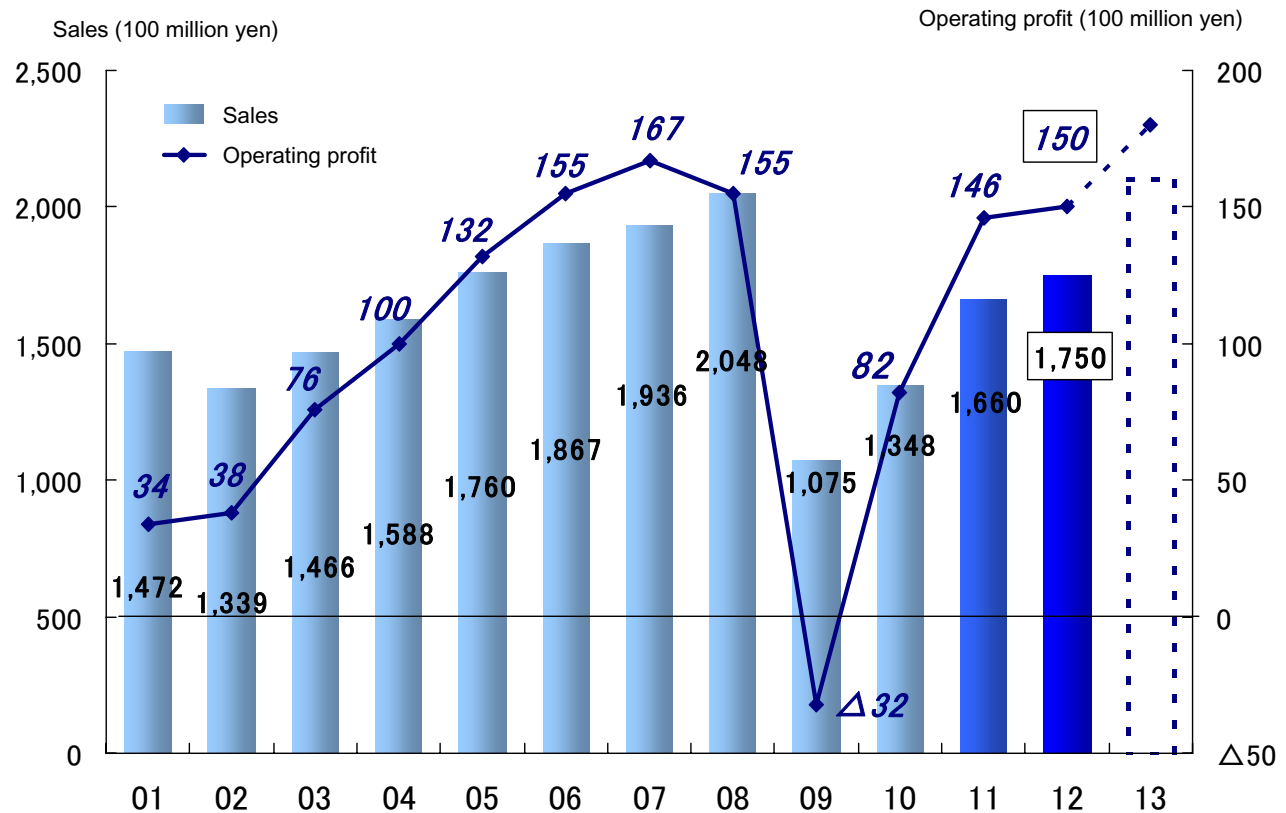
	Fiscal 2011 Results (A)	Fiscal 2012 Plan (B)	Increase/Decrease (%)	(B) - (A)
Machinery and tools business				
Sales	554	580	(+4.7%)	+25
Operating profit	(8.1%) 44	(7.8%) 45	(+0.1%)	+0
Parts business				
Sales	956	1,010	(+5.6%)	+53
Operating profit	(8.3%) 79	(8.1%) 82	(+3.7%)	+2
Other businesses				
Sales	150	160	(+6.7%)	+9
Operating profit	(15.0%) 22	(14.4%) 23	(+2.5%)	+0
Total sales	1,660	1,750	(+5.4%)	+89
Total operating profits	(8.8%) 146	(8.6%) 150	(+2.4%)	+3

23

Factors for increase/decrease in operating profits 2012 Plan



Aiming at the Medium-term business objective 2012 Plan



NACHI

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

The future business prospects, business plans and other matters described in this document have been worked out based on certain assumptions including the current economic environment, business policy and other factors. Please understand, therefore, that the actual business performance can be different from this prospective performance due to various factors including fluctuations in demands and exchanges.