

## Business Outline

### Couplings (CUPLA)

CUPLA is the world's top brand of quick connect couplings to easily connect and disconnect fluid pipes for air, gas, water, oil, or chemicals. As a pioneer of one-touch, quick connect/disconnect couplings, NITTO KOHKI CO., LTD. has developed new demand and products in a wide range of fields, such as Japan's first couplings for chlorofluorocarbon (CFC). Our CUPLA is characterized by their superior operability with easy and reliable connection and disconnection, and their automatic shut-off valve for easy flow control.

CUPLA is used for a wide range of field from household uses to industrial uses including factory piping, industrial equipment and machinery, and semiconductors. To meet various user needs, we offer a full product lineup of about 25,000 models. CUPLA is widely adopted in cutting-edge industries such as aviation and aerospace industries, as well as its receptacle and nozzle for fuel-cell vehicles and hydrogen refueling station. Also it is being installed for a world-leading supercomputer. This abundant product lineup, high quality and powerful sales network enable our CUPLA to have no equal competitors, to account for about 40% in our total sales and to make a leading market share in the industry.

### Machine Tools

NITTO KOHKI's Machine Tools are used for various purposes such as drilling, cutting, sanding, chamfering, and scaling steel materials, and they have exceptional performance and ease-of-use. These tools are recognized for improving the efficiency of manual work, as well as contributing to energy and labor saving, and are used in various industrial fields including construction, shipbuilding, metal working, and electronic and electrical equipment. Machine Tools are divided into three categories according to the power source: pneumatic, electric, and hydraulic.

Pneumatic Tools are driven by compressed air, and they offer the benefits of compactness, light weight, high torque, durability to overloading, and easy control of speed and power.

Electric Tools are convenient and can be used anywhere for comprising an AC power source or battery. One of our popular products lineup is drilling machine ATRA, with a combination of its electromagnetic force and electric drill. It is used to drill a bolt hole in H-shaped steel for building materials. In addition, electric screwdrivers "delvo" is a trusted brand, being used in precision machinery plants around the world for its high-precision torque control.

Hydraulic Tools take advantage of the high power of hydraulics. We have introduced a series of safe and compact hydraulic tools that can be used for a variety of steel processes.

Machine Tools account for about 40% of NITTO KOHKI's total sales. We are also providing consumable items such as cutters, grinding wheels and sanding files for our Machine Tools.

### Linear Pumps

NITTO KOHKI received a patent in France and successfully commercialize the pumps with linear-motor-driven free piston system in 1973 first in the world. Since then, these pumps have been used and well-received as air source or vacuum source to be incorporated in various types of equipment in the housing, medical, health care, hair and beauty care, food processing and many other fields.

The structure has a unique mechanism, which is a back-and-forth motion of the piston resulting from an electromagnetic force and spring return force in the cylinder. As a result, the pumps have characters of compact and lightweight, low-noise, low-vibration, energy-saving. And the pumps are particularly suitable for pharmaceutical and medical equipment that requires a clean air source, because of its oil-free design.

Also, our Linear Pumps include piezoelectric Bimor pumps, Unimor pumps, Diaphragm pumps, and DC pumps and other vacuum pump and air compressor. These technologies are also used in unique products such as medical and home use air massagers.

### Door Closers

NITTO KOHKI's Auto Hinges door closers have hydraulics and springs to silently close doors. They are providing safety and comfort, essential to living spaces. Any of Door Closers are easy to install, strong, lightweight and compact, and since they work without an arm, its excellent design can make fine-looking appearance around the door.

For swing doors, we prepare Door Closers of Center Hang type installed inside the door, and Flag type having auto closing function. Both types offer an exceptional performance and durability and are widely used for fire safety doors, office buildings, bullet trains, and residential housing. We also prepare Sliding Closers, which enable to open the sliding doors with a small force and to close tightly at a moderate speed. Recently, such closers are increasingly adopted in hospitals, other public facilities, and homes for the trend of barrier free environments. Sliding Closers are available in a wide range of products that can accommodate doors weighing several kilograms to doors weighing in excess of 200 kilograms.

## Research & Development

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The R&D activities of NITTO KOHKI group are conducted primarily by the parent company, NITTO KOHKI CO., LTD., which has basic technologies in fluid and precision machinery engineering and works on R&D activities in an overall framework adding electronics and material engineering to said basic technologies. The goal is to develop wide-ranging unique products from labor-saving equipment to environmental and welfare devices.

Under the corporate philosophy “Development provides corporate insurance”, we are actively developing products that contribute to society. Annual R&D expenditures amount to more than 2% of net sales. By repeated R&D for a long-term period, our products have earned a solid reputation for its originality in domestic and overseas market, accounting for a large share in the industry. In addition, our products receive various government awards for its maintenance technology, invention and design. We are owning over 1,500 industrial property rights at home and abroad, in order to have technical advantages. So our creative products will be protected from its imitation and other wrongful use.

## Production

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Since its start of business, NITTO KOHKI group has promoted the internal development of automated equipment for our production efficiency. Particularly we focus on the labor-saving and automation of machine processing and assembly lines. To meet flexibly to changes in market business environment, NITTO KOHKI is controlling subsidiaries in charge of production and is planning efficient production in our total group.

We introduce the domestic plants by products segment. Couplings and Linear Pumps are produced at TOCHIGI NITTO KOHKI CO., LTD. Machine Tools are produced at MEDOTECH CO., LTD. Electric Screwdrivers and Door Closers at SHIRAKAWA NITTO KOHKI CO., LTD. Each plant carries out all phases of production, from material processing to inspection for finished products.

For making more cost competitive in the global market, TOCHIGI NITTO KOHKI has expanded its facilities of No.7 factory in 2014 to gather machining process work and a warehouse. We ensure the production system for stably supplying products of high quality and functionality, and are prepared to deal with needs of custom-order products quickly.

## Sales & Marketing

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Sales network for our products is expanded nationwide and core part of such network is played by “Nitto-kai” which is organized by industrial and regional group of 6,000 distributors, authorized retailers and other retailers. Adopting distributorship such as this system is reducing costs substantially by outsourcing functions of sales and management of products and account collection. At the same time, we are able to carry out flexible sales and marketing strategies in concert with other Nitto-kai members. The system also has a role as an antenna for the latest market needs.

In addition, we set up service centers throughout Japan to provide quick, convenient customer service because after-sales service is important especially for the products.

## Overseas Activities

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In overseas sales activities, we are expanding our sales through a global network of distributors with the European, U.S., Chinese and Australian sales subsidiaries, Singapore Branch and Bangkok Representative Office. Now, overseas sales are nearly 40% of our total sales figures.

In production activities, 2 production bases have been established abroad for improving international price competitiveness. In Thailand, Linear Pumps have been produced since 1997 and also couplings being produced since 2003. In 2013 the factory was rebuilt and facilities are replaced completely. As to Machine Tools, annular cutters have been produced since 1994.

In these ways, we enhance our operation structure steadily to expand business in growing overseas market.