

# **Financial Supplement**

## **1st Half of Fiscal Year 2013(2013/4-2013/9)**

**November 5, 2013**  
**NITTO KOHKI CO., LTD.**

# Consolidated Financial Highlights

(Million yen)

	FY2012 1H	FY2013 1H	y/y	Forecast	Diff.
<b>Sales</b>	<b>12,529</b>	<b>13,045</b>	<b>+4.1%</b>	<b>13,490</b>	<b>-445</b>
<b>Operating Income</b>	<b>1,889</b>	<b>1,923</b>	<b>+1.8%</b>	<b>1,840</b>	<b>+83</b>
<b>Operating Income Ratio</b>	<i>15.1%</i>	<i>14.7%</i>	<i>-0.4pt</i>	<i>13.6%</i>	<i>+1.1pt</i>
<b>Ordinary Income</b>	<b>1,915</b>	<b>2,002</b>	<b>+4.6%</b>	<b>1,870</b>	<b>+132</b>
<b>Net Income</b>	<b>1,165</b>	<b>1,158</b>	<b>-0.6%</b>	<b>1,180</b>	<b>-22</b>

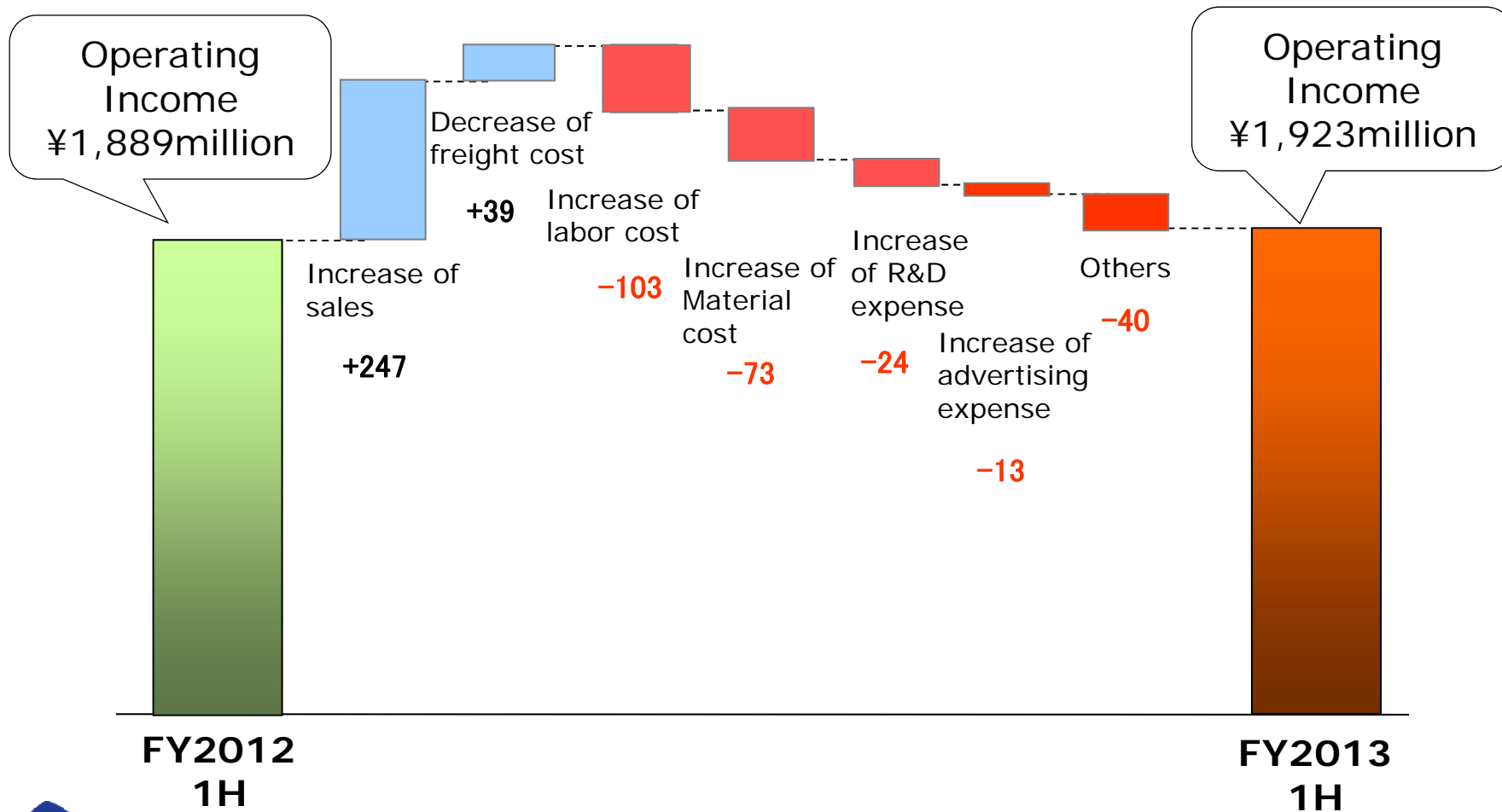
# Consolidated Financial Highlights

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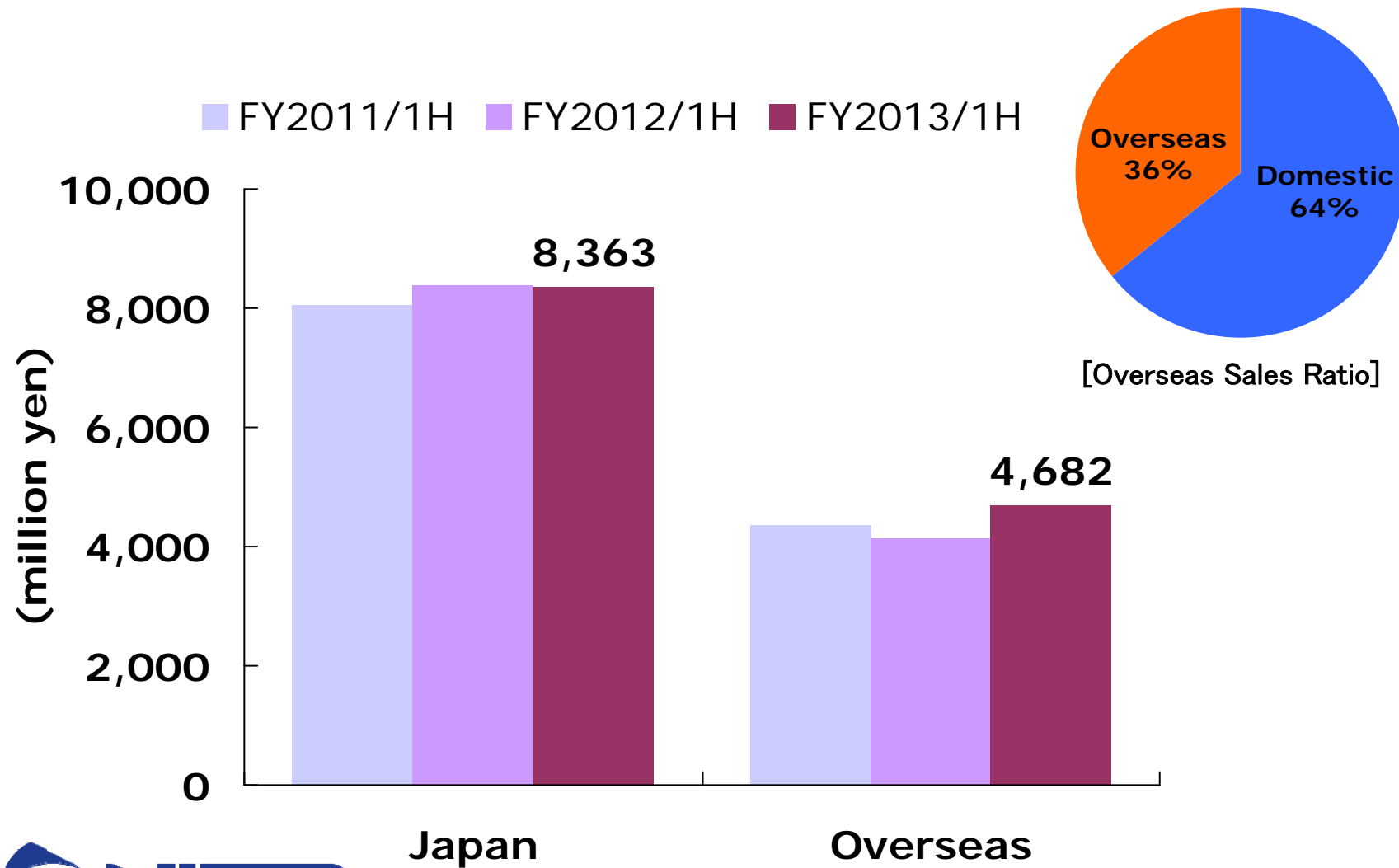
- Consolidated sales increased in the 1<sup>st</sup> half due to sales promotion and foreign currency exchange effect on overseas operation
- Profit was increased due to elimination of Thailand floods effect. Profit increase ratio was limited comparing to sales increase ratio due to cost increase by foreign currency exchange effect
- **COUPLINGS**: Sales to automotive industry is in recovering trend. Sales to semi-conductor industry is still in slow demand
- **MACHINE TOOLS**: ATRA, portable magnetic base drilling machine, and annular cutters were in good form
- **LINEAR PUMPS**: Production was in normal condition due to elimination of Thailand floods effects

# Analysis of the Elements Fluctuating the Operating Income in the 1<sup>st</sup> Half of FY2013

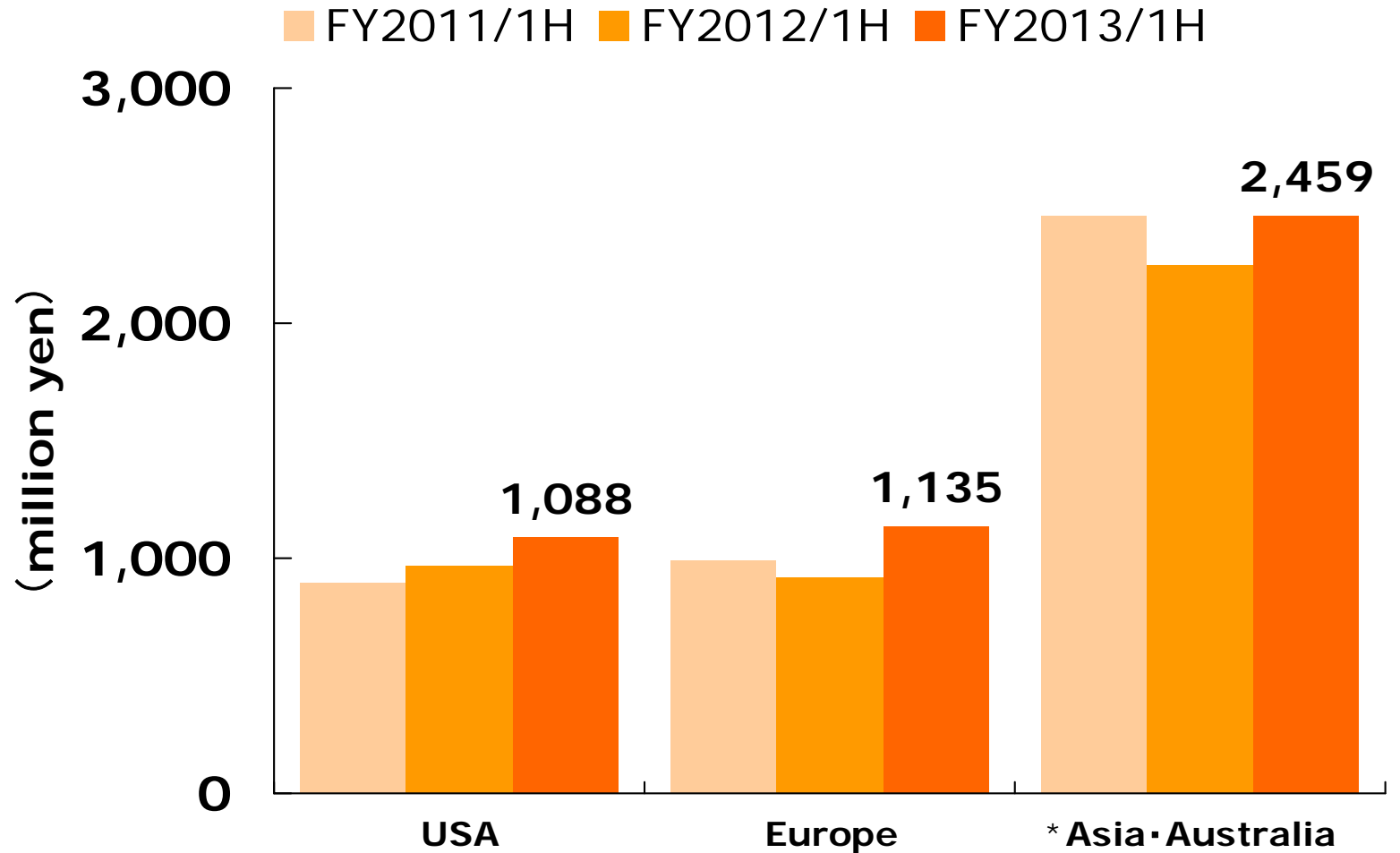
(million yen)



# Sales by Market



# Sales by Market -- overseas



\*except Japan

# Sales by Product Segment

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(million yen)

	FY2012 1H	FY2013 1H	y/y
<b>Sales</b>	12,529	13,045	+4.1%
<b>Couplings</b>	4,801	4,837	+0.7%
<b>Machine Tools</b>	4,806	5,060	+5.3%
<b>Linear Pumps</b>	1,899	2,127	+12.0%
<b>Door Closers</b>	1,021	1,020	-0.1%

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# Projects for FY2013





# Projection

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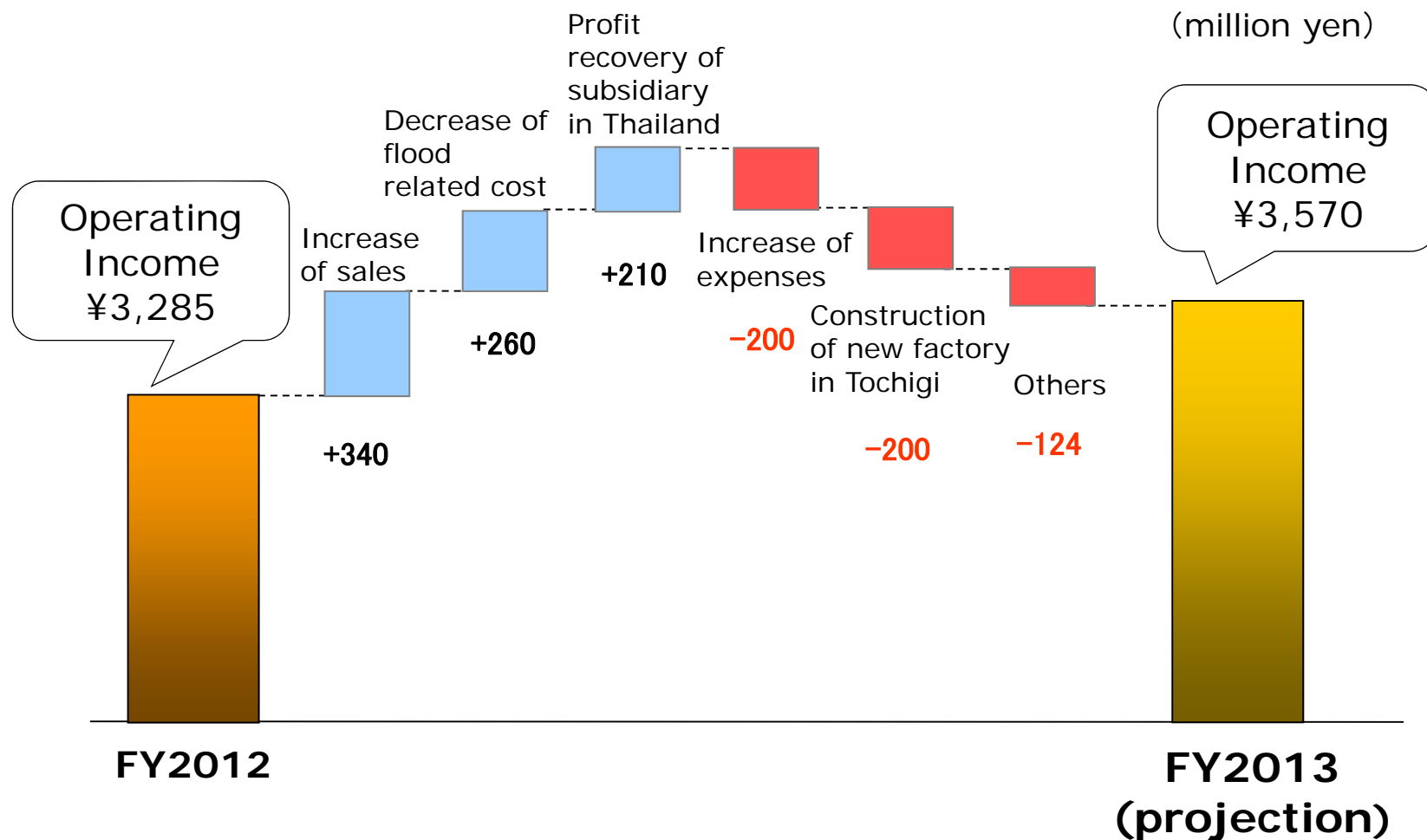
- Anticipate annual result as originally planned
- Annual profit will be increased comparing to the last FY due to end of alternative production
- Accelerate R&D and sales & marketing promotion
- Accelerate improvement of efficiency of production and logistics

# Projects for FY2013--Sales

(million yen)

	FY2013 1H	FY2013 (projection)	progress
Sales	12,529	26,830	48.6%
Couplings	4,801	10,000	48.4%
Machine Tools	4,806	10,480	48.3%
Linear Pumps	1,899	4,200	50.7%
Door Closers	1,021	2,150	47.5%

# Analysis of the Elements Fluctuating the Operating Income in the FY2013



# Investment, Depreciation, R&D Expenses

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(million yen)

	FY2012	FY2013 (projection)
Investment	1,921	2,250
Depreciation	1,116	1,240
R&D Expenses	673	785

[Major Capital Investment]

New factory building and the warehouse of TOCHIGI NITTO  
KOHKI No.7 Factory

# Startup of TOCHIGI NITTO KOHKI No.7 Factory

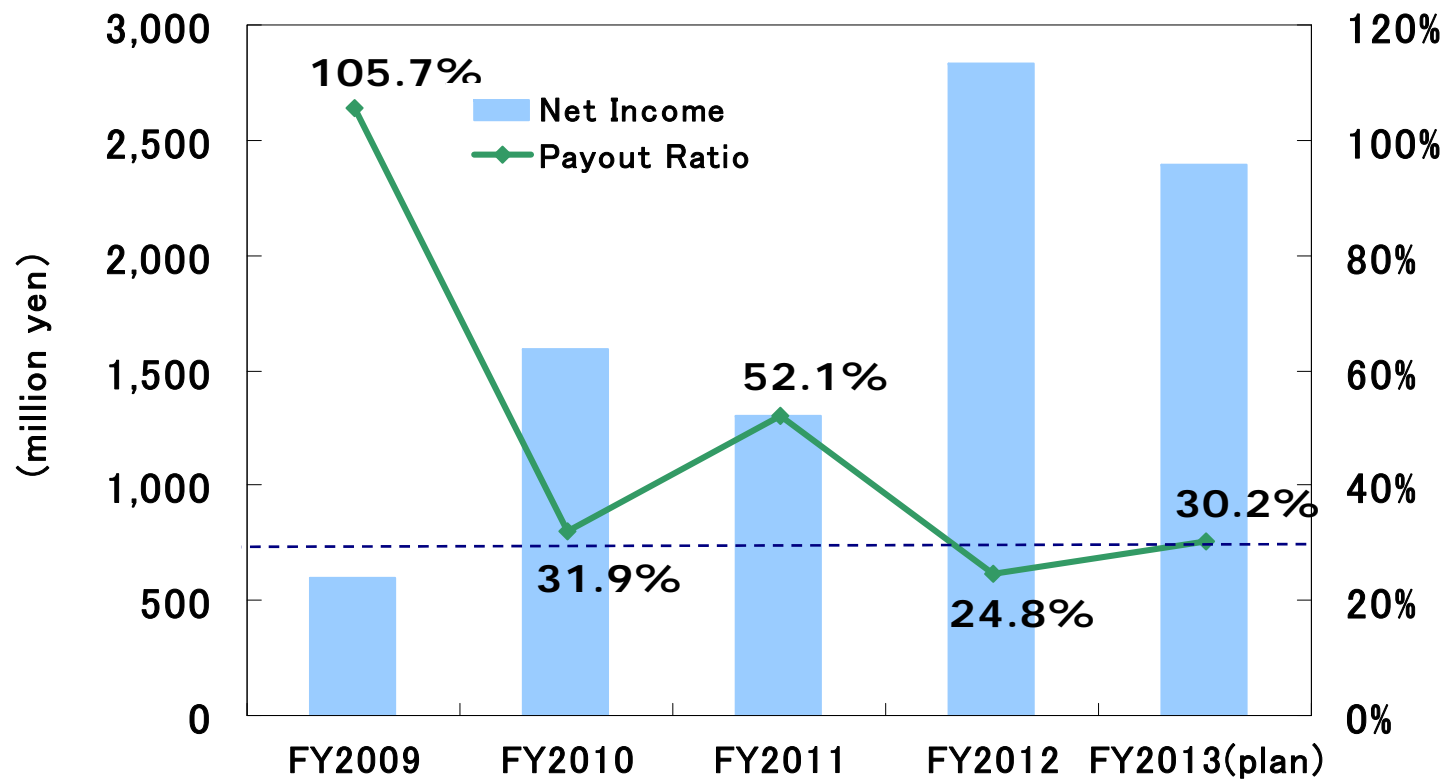


The layout of Couplings production machines was reorganized to improve production efficiency.

The final completion of the factory is scheduled in December 2013.

# FY2013 Dividend

Target Payout Ratio : Over 30%



Yearend Dividend	¥30	¥24	¥32	¥33	¥34
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# New Products

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## Cordless Magnetic Base Drill Machine **CORDLESS ATRA CLS-2200**

- The first rechargeable battery driven magnetic drill in Japan
- Light weight and compact design



# New Products

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Low Power Consumption Type Blower

## LAX-60

- New technology provides the industry's top level power efficiency
- Easy maintenance
- Compact design





# Mid-Term Management Plan (FY2011-FY2015):Action

## Action

### ■ Sales Division : Development of Overseas Market

North America: Marketing approach of DELVO, electric screwdrivers

Europe: Marketing approach in French market

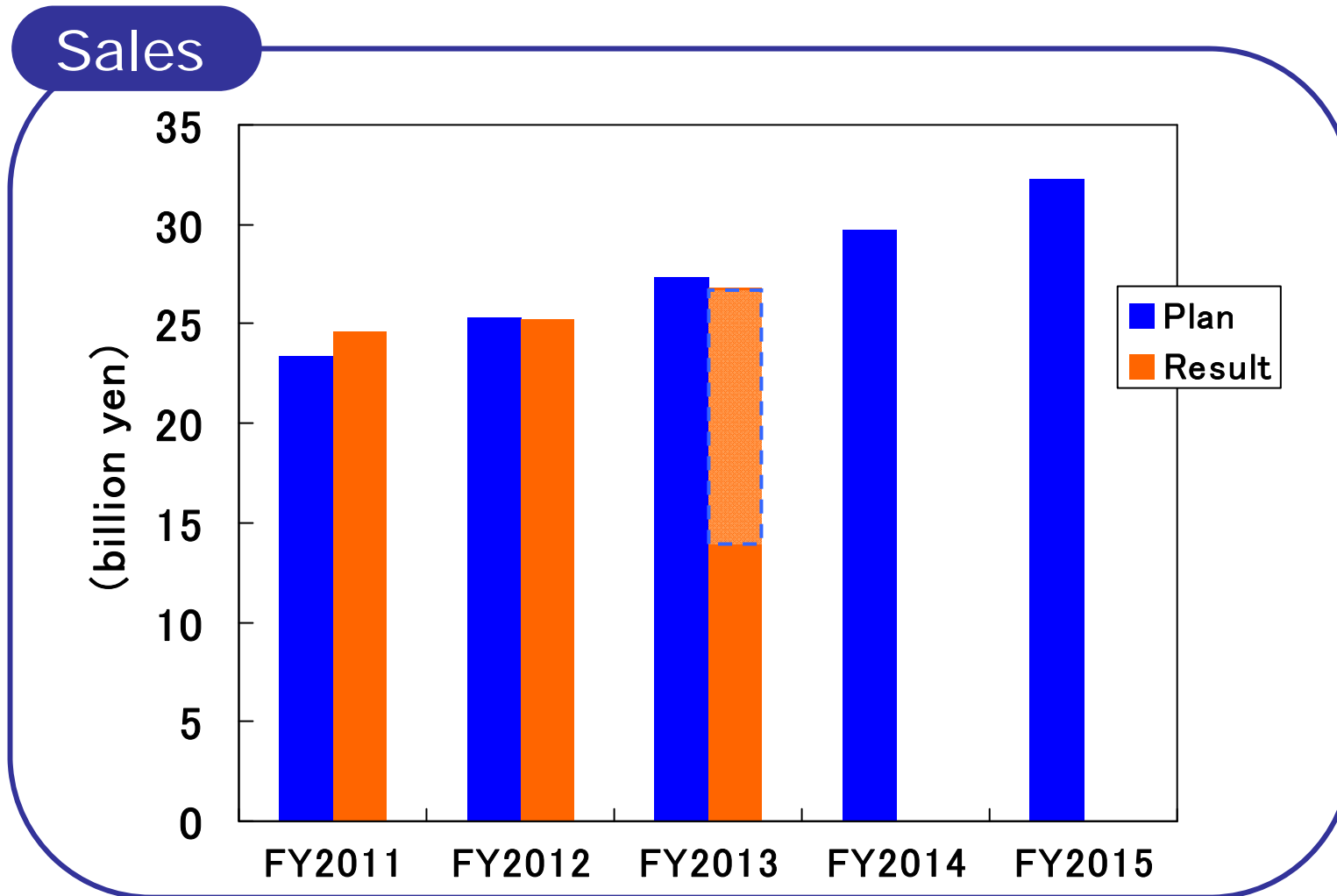
### ■ Production Division

Improve production and logistical efficiency by the completion of TOCHIGI NITTO KOHKI No.7 Factory and a new warehouse

### ■ R&D Division

Releases of CORDLESS ATRA and new MEDOMER, air massagers  
Aiming to develop new demand by new technologies

# Mid-Term Management Plan (FY2011-FY2015): Performance Index



[Reference]

## FY2013 Exchange Rate for Business Plan

(yen)

	FY2012 1H Actual	FY2013 1H Actual *	FY2013 (projection)
US Dollar	79.31	98.59	90.00
Euro	98.74	128.53	120.00
UK Pound	123.12	150.30	140.00
AU Dollar	79.65	91.12	90.00
Thai Baht	2.49	3.16	3.00
Korean Won	0.069	0.086	0.080

\*as of June 30, 2013



# Thank you!

## FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on NITTO KOHKI's own projections and estimates. They are subject to a number of risks and uncertainties. NITTO KOHKI would like to take note that actual results may differ materially from our expectations.

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