



# **Financial Supplement**

## **1st Half of Fiscal Year 2014(2014/4-2014/9)**

**November 4, 2014**  
**NITTO KOHKI CO., LTD.**

# Consolidated Financial Highlights



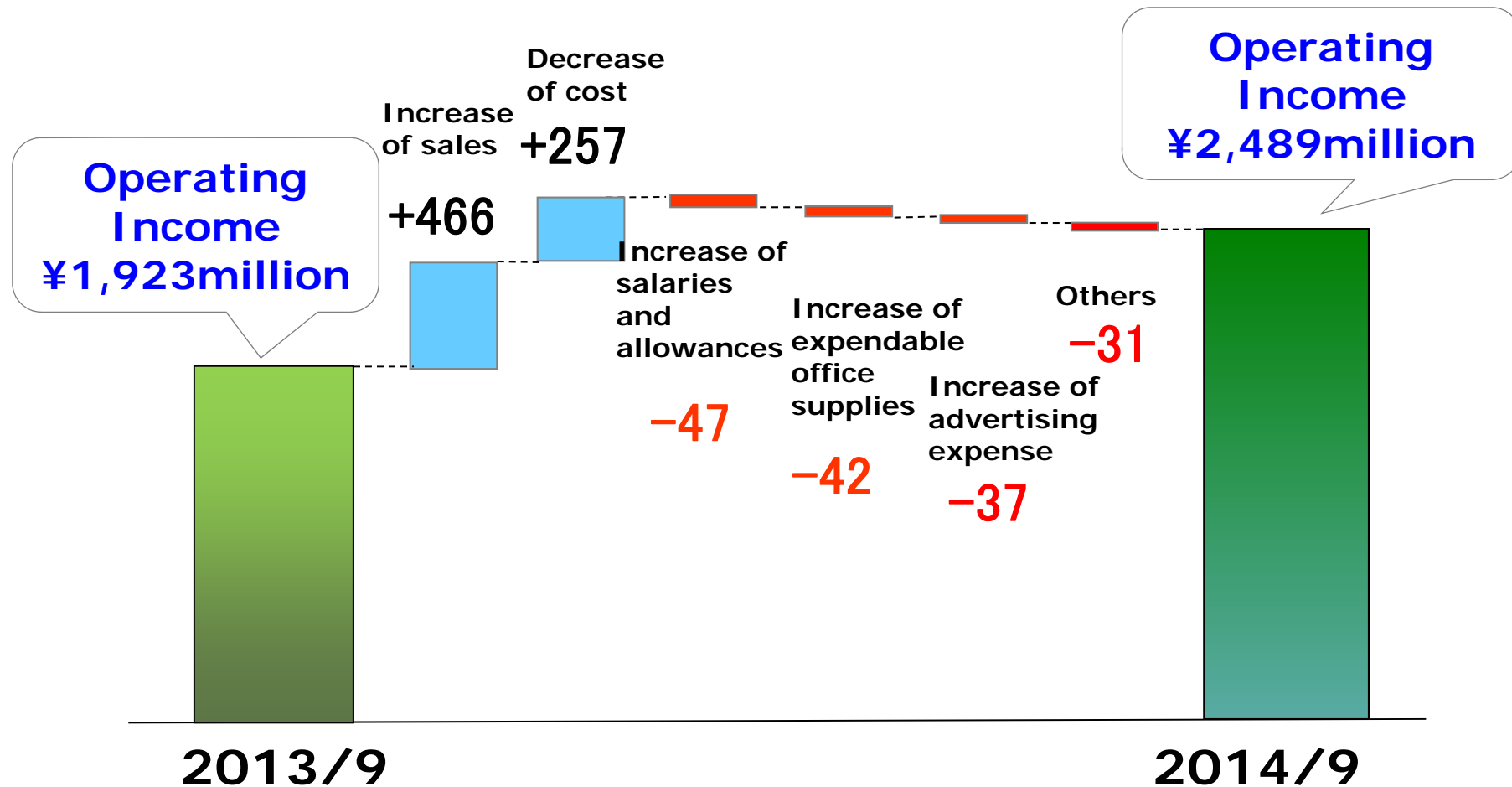
(million yen)

	FY2014 1H	y/y	progress	FY2014 (projection)
<b>Sales</b>	<b>14,033</b>	7.6%	51%	<b>27,620</b>
<b>Operating Income</b>	<b>2,489</b>	29.4%	59%	<b>4,210</b>
<b><i>Operating Income Ratio</i></b>	<b><i>17.7%</i></b>	<i>+3.0pt</i>	—	<b><i>15.2%</i></b>
<b>Ordinary Income</b>	<b>2,547</b>	27.2%	59%	<b>4,290</b>
<b>Net Income</b>	<b>1,462</b>	26.3%	54%	<b>2,690</b>

- Income for the 1<sup>st</sup> half increased due to sales increase and effect of currency exchange rate.
- Extraordinary loss of 328 million yen due to dissolving joint venture with Korean company.

# Analysis of the Fluctuation Factor of Operating Income in 1<sup>st</sup> Half of FY2014

(million yen)



# Effect of Currency Exchange Rate in Profit



## Effect of weaker yen (in terms of NITTO KOHKI)

Sales ◦ ◦ ◦ Increase of profit

Purchase ◦ ◦ ◦ Decrease of profit

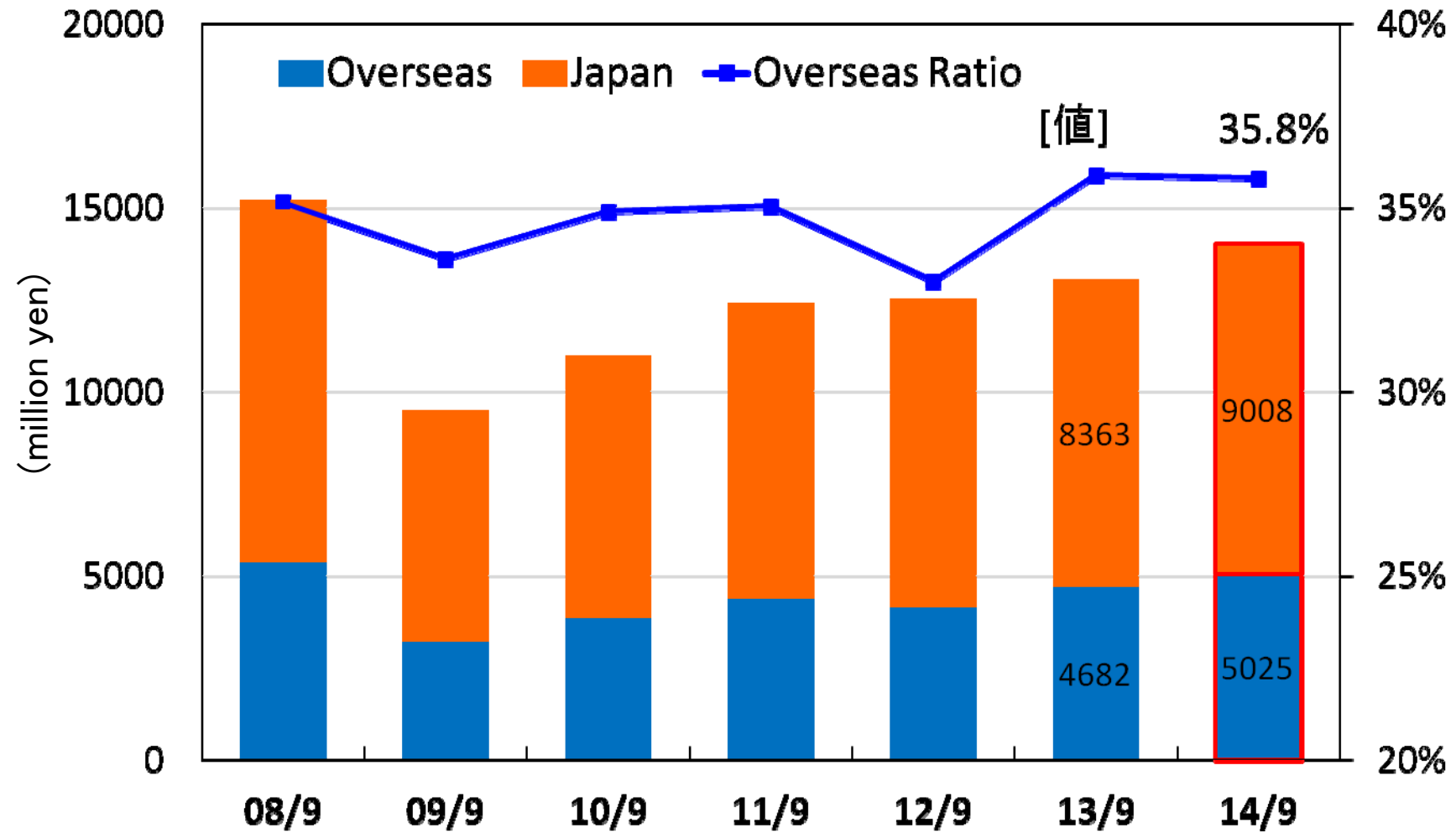
[Effect in Currency]		(million yen)
Currency	Effect	
US Dollar	24	
Euro	18	
UK Pound	2	
AU Dollar	-3	
Thai Baht	6	
<b>Total</b>	<b>49</b>	

[Currency Rate]

(yen)

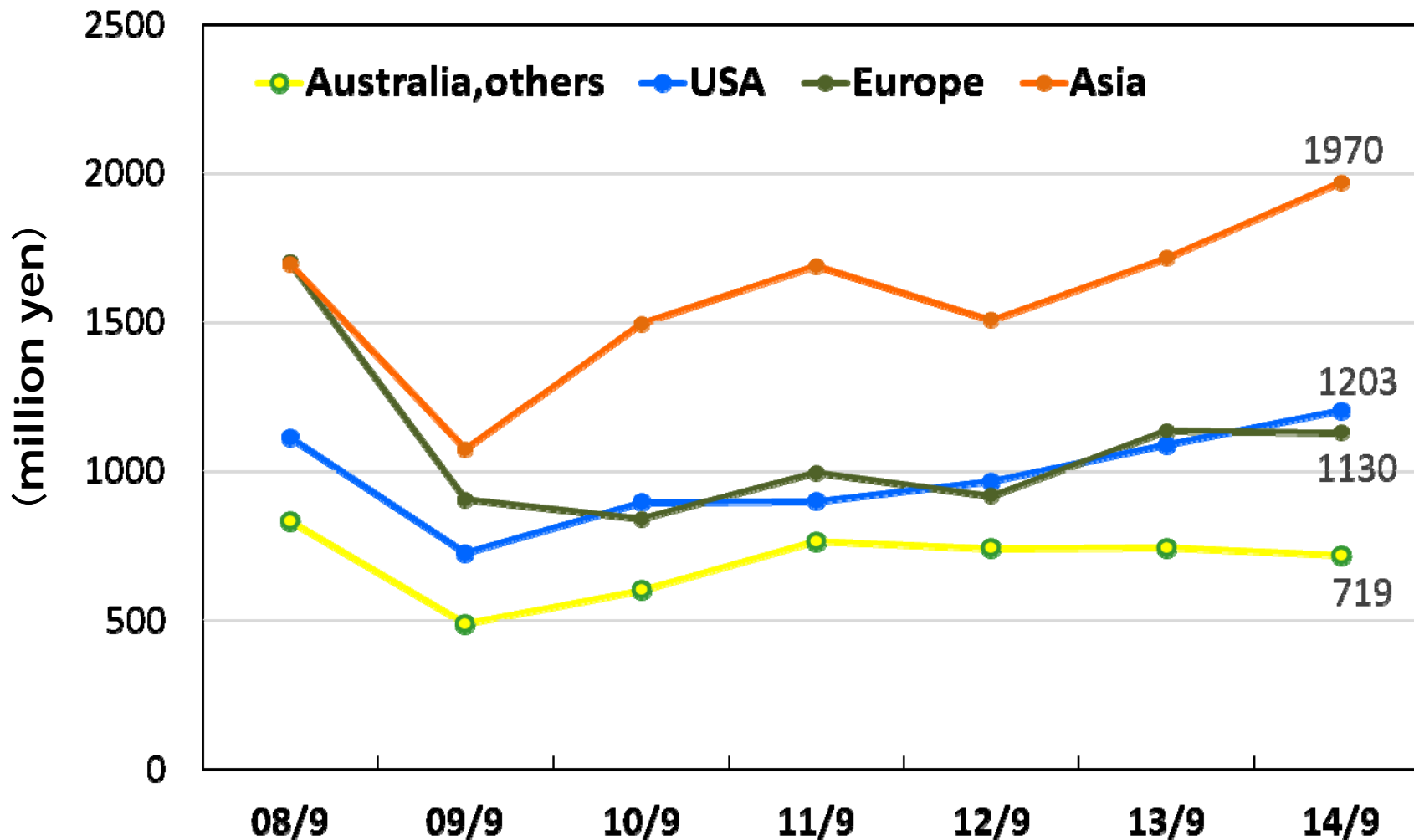
	FY2012	FY2013 2Q	FY2013	FY2014 2Q	FY2014 (projection)
US Dollar	86.58	98.59	105.39	101.36	100.00
Euro	114.71	128.53	145.05	138.31	135.00
UK Pound	139.52	150.30	173.76	172.63	160.00
AU Dollar	89.80	91.12	93.24	95.50	90.00
Thai Baht	2.82	3.16	3.20	3.12	3.15
Korean Won	0.081	0.086	0.100	0.100	0.095

# Sales by Market



# Sales by Market -- Overseas

■ Sales in Asia is increasing.



# Sales by Product Segment



(million yen)

	FY2014 1H	y/y	progress	FY2014 (projection)
<b>Sales</b>	<b>14,033</b>	7.6%	51%	<b>27,620</b>
<b>Couplings</b>	<b>5,303</b>	9.6%	52%	<b>10,200</b>
<b>Machine Tools</b>	<b>5,282</b>	4.4%	50%	<b>10,600</b>
<b>Linear Pumps</b>	<b>2,351</b>	10.5%	51%	<b>4,600</b>
<b>Door Closers</b>	<b>1,096</b>	7.4%	49%	<b>2,220</b>

- Couplings: Steady demand related to investment in equipment.
- Linear Pumps: Strong sales of Medical device.

# Topics

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- Obtaining ISO13485, Medical devices  
-Quality management systems.  
→ Planning to sell the air massager outside Japan.
- Korean manufacturing subsidiary NITTO KOHKI-MIJIN was split off from Nitto Kohki as a result of dissolving joint venture.  
→ Production of power tools will be transferred, in several stages, mainly to domestic factory.





# Projects for FY2014

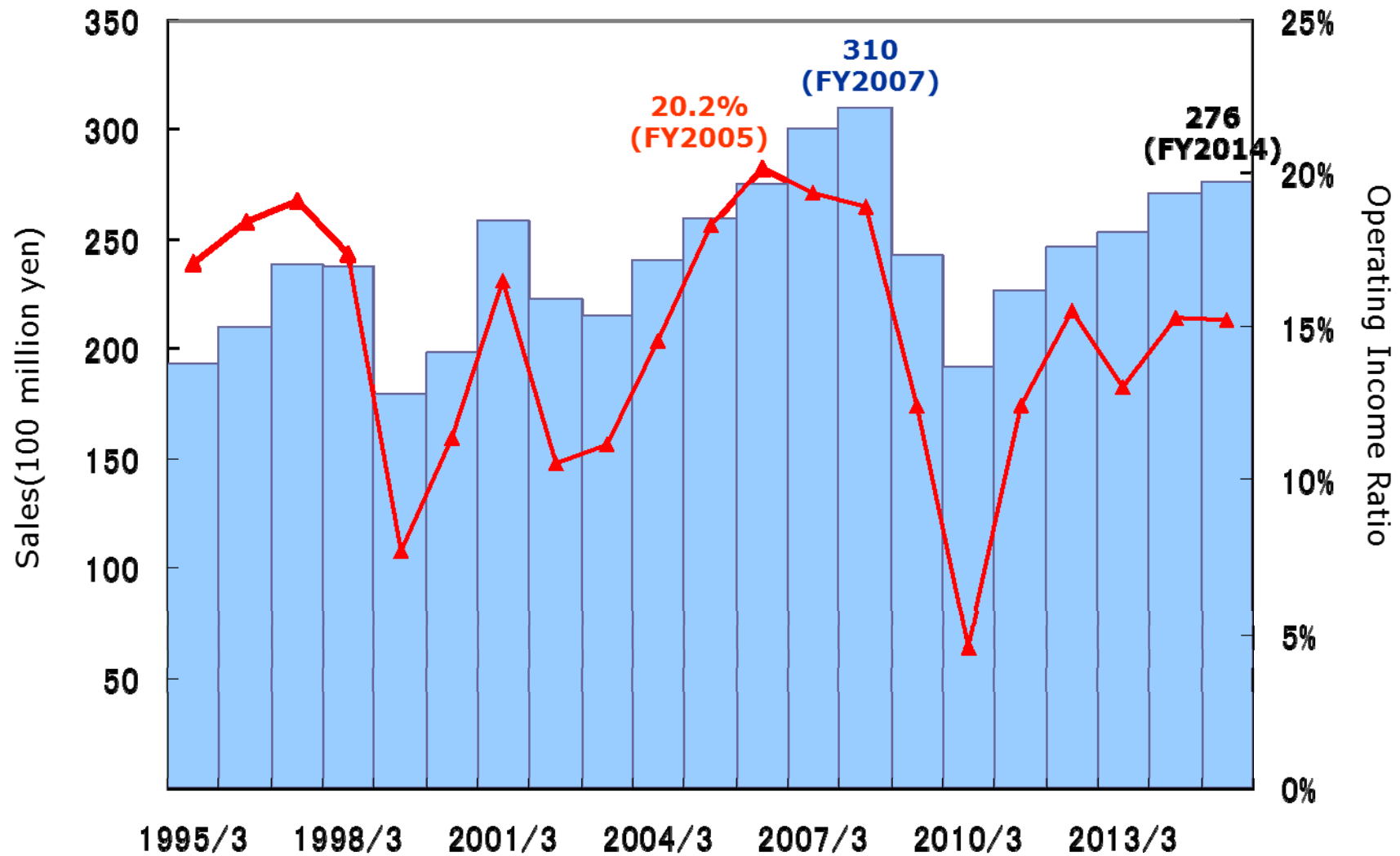
# Projects for FY2014

(million yen)

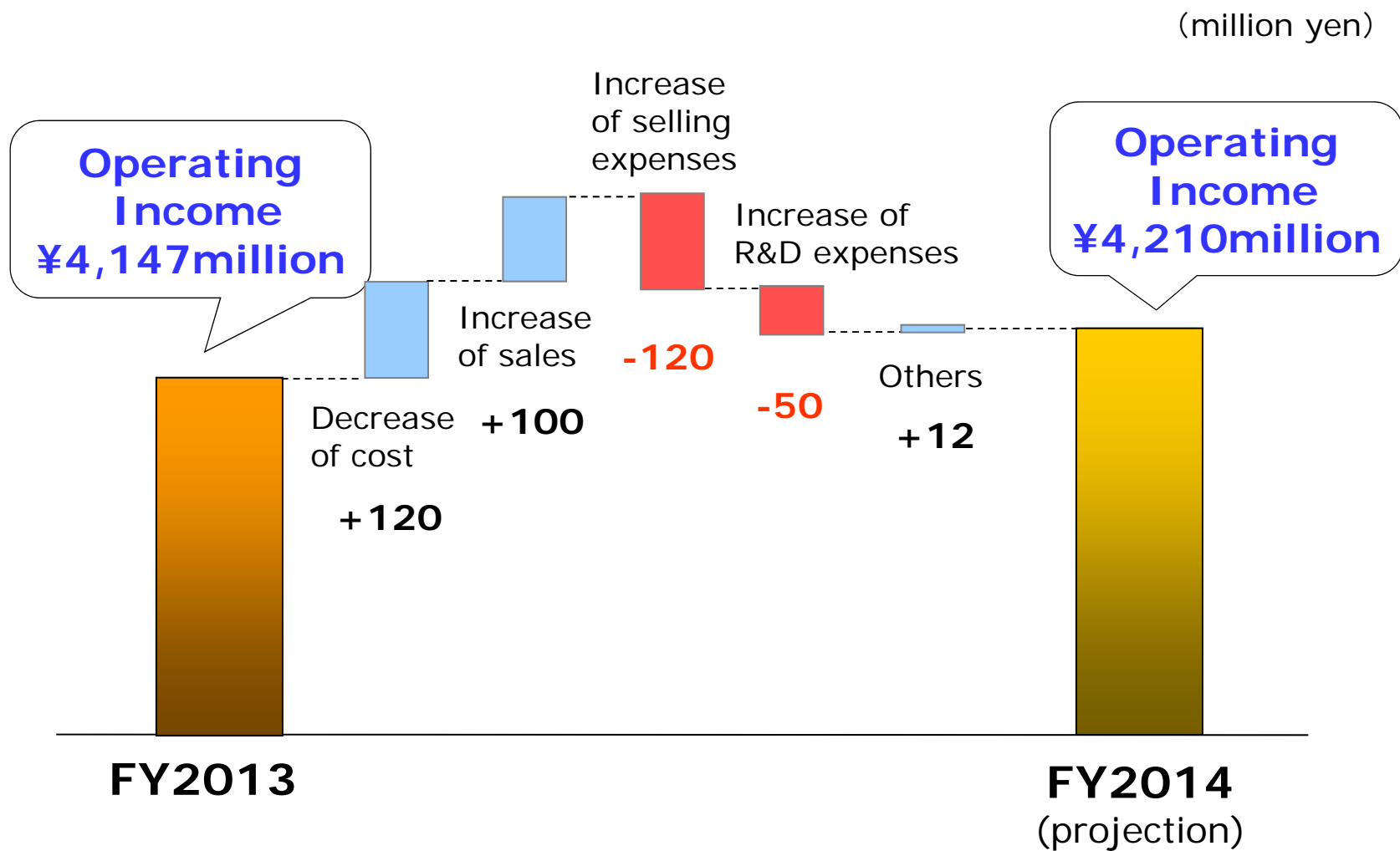
	FY2013	FY2014 (projection)	y/y
<b>Sales</b>	27,145	27,620	1.7
<b>Operating Income</b>	4,147	4,210	1.5
<i>Operating Income Ratio</i>	15.3%	15.2%	-0.1pt
<b>Ordinary Income</b>	4,226	4,290	1.5
<b>Net Income</b>	2,371	2,690	13.4

- No change in projects from the beginning of fiscal year.

# Performance Chart (1995/3-2015/3)



# Analysis of the Fluctuation Factor of Operating Income in FY2014



# Projects for FY2014--Sales

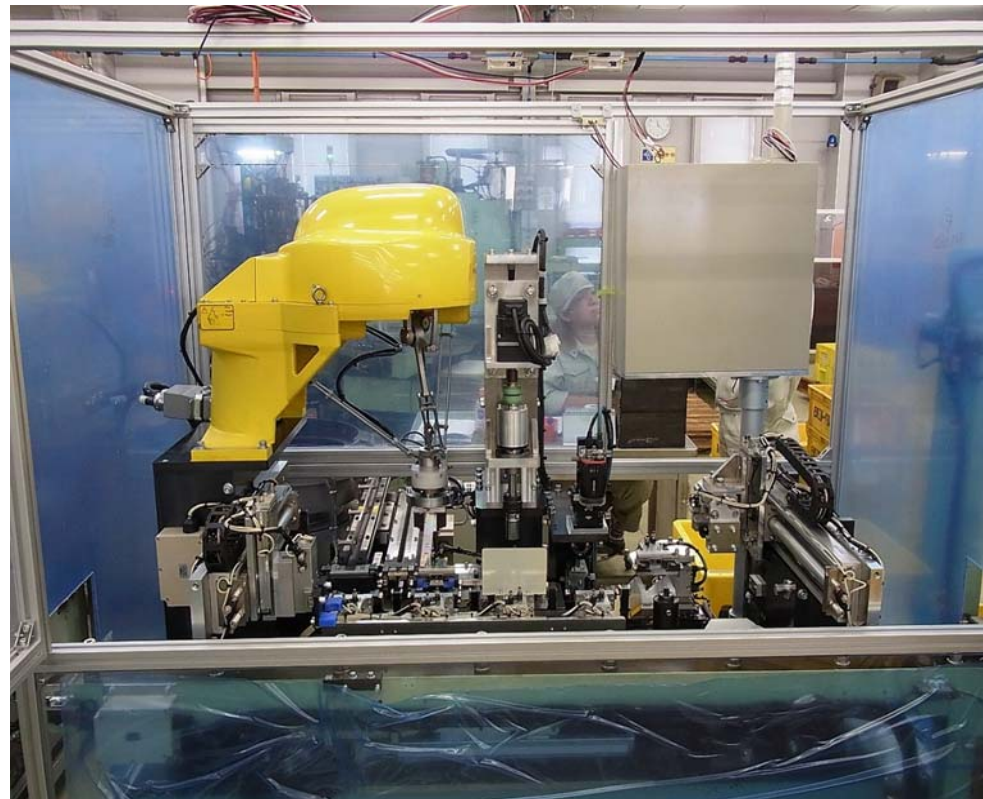
(million yen)

	<b>FY2013</b>	<b>FY2014 (projection)</b>	<b>y/y</b>
<b>Sales</b>	27,145	27,620	1.7
<b>Couplings</b>	9,897	10,200	3.1
<b>Machine Tools</b>	10,560	10,600	0.4
<b>Linear Pumps</b>	4,542	4,600	1.3
<b>Door Closers</b>	2,144	2,220	3.5

# Improving Productivity

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[TOCHIGI NITTO KOHKI]  
Introducing a dexterous and compact robot  
on the Coupling assembly line.



# Coupling for Fuel Cell Vehicle

Our HHV Cupla, receptacle and nozzle for FCV and hydrogen refueling stations, has 90% share of Japanese hydrogen refueling stations for 70MPa.



(Nozzle)

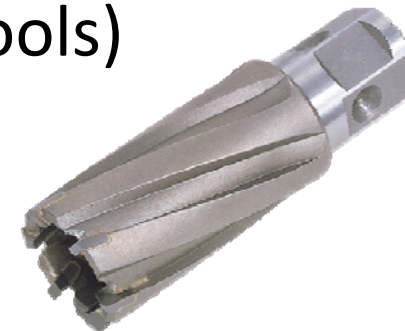
Being used for hydrogen dispenser in the hydrogen refueling station.

(million yen)

	FY2013	FY2014 (projection)
Investment	2,160	1,214
Depreciation	1,262	1,161
R&D Expenses	672	695

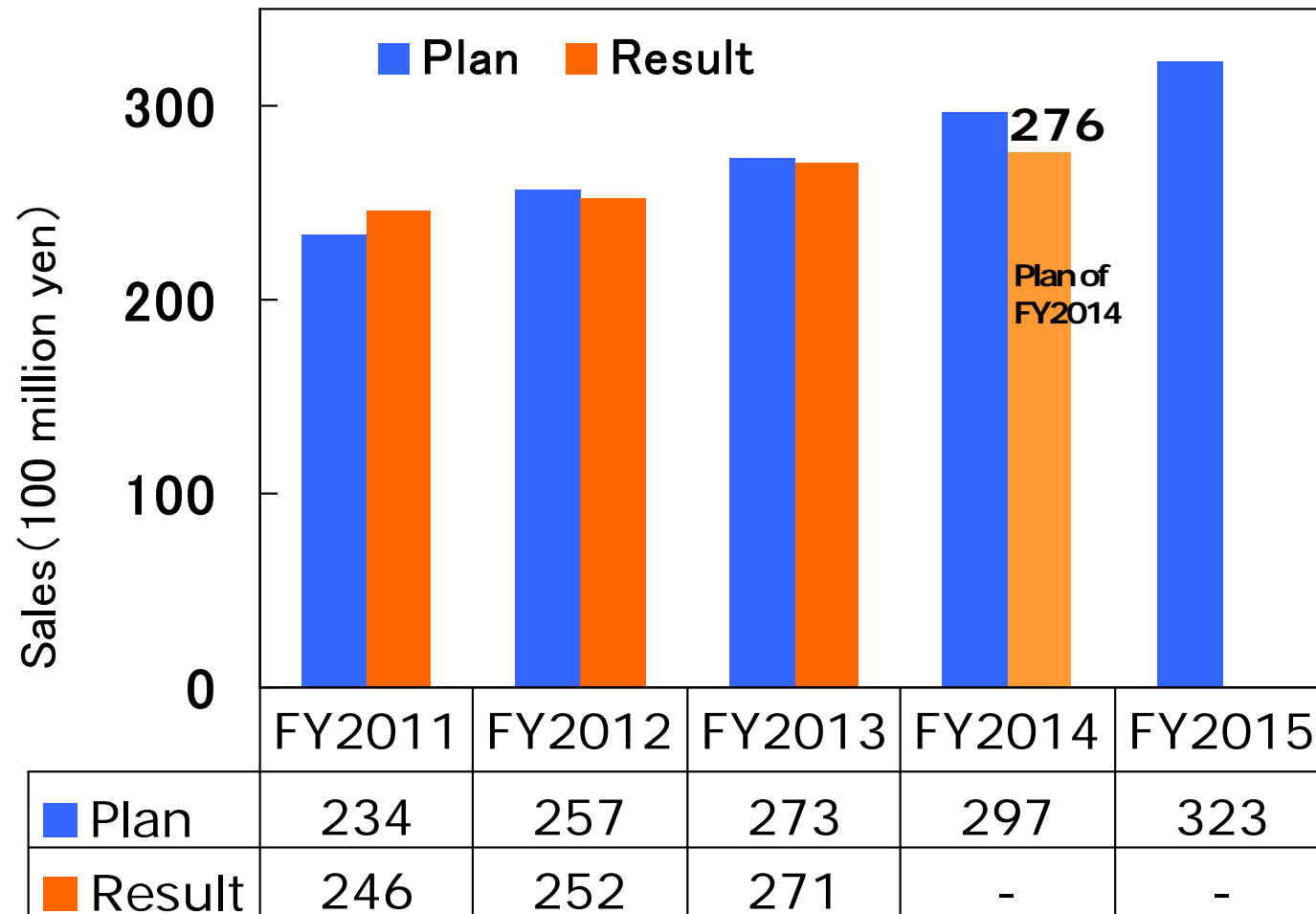
[Major Capital Investment]

Machine Tools-Investment in productivity of cutters for drilling machine “ATRA”. (MEDOTECH-Domestic factory for machine tools)



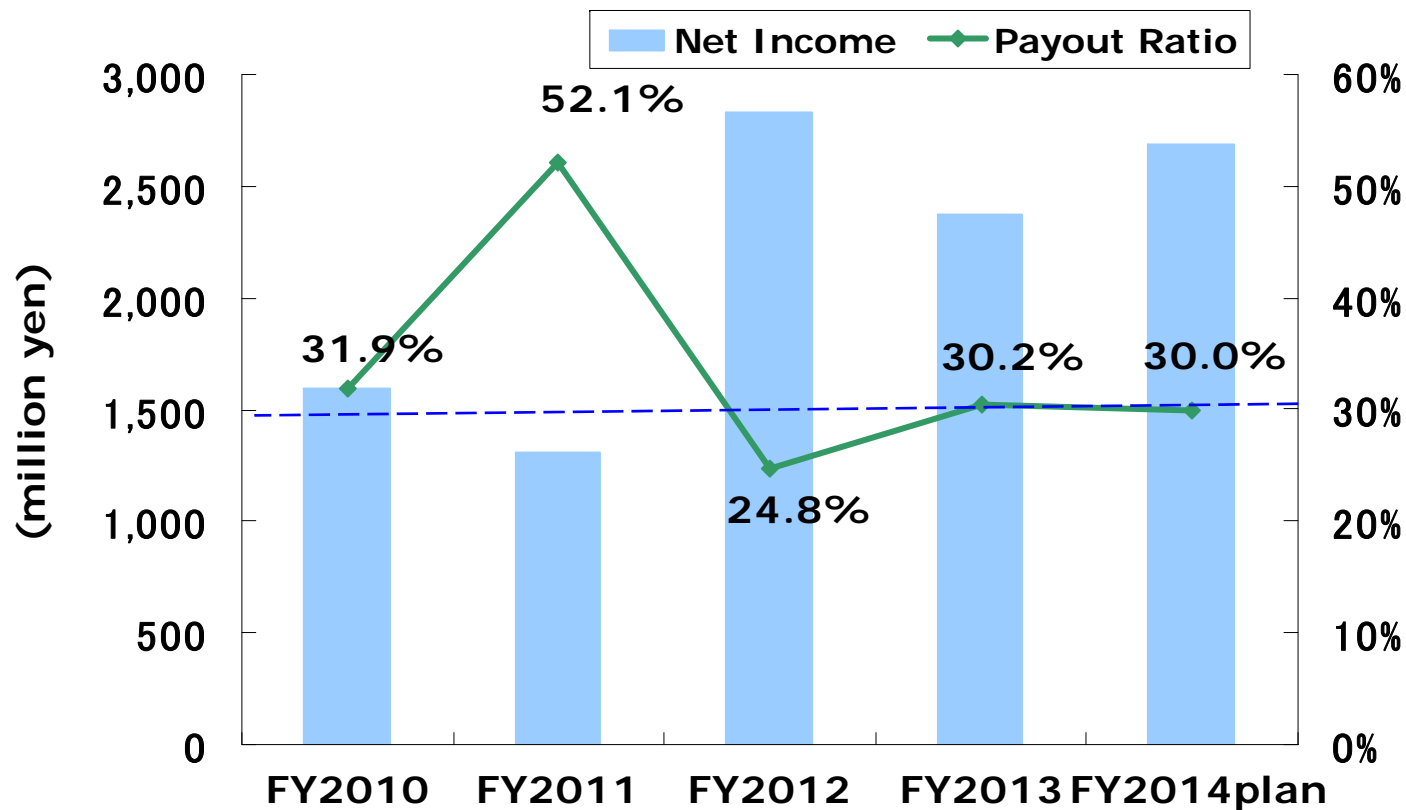


# Mid-Term Management Plan (FY2011-FY2015): Performance Index



# FY2014 Dividend

Target payout ratio is 30%. Refund related to transfer pricing taxation will not be reflect to dividend plan.



Interim Dividend	¥7.5	¥16	¥16	¥17	<b>¥19</b>
Yearend Dividend	¥24	¥32	¥33	¥34	<b>¥38</b>



# 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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