

Financial Supplement

1st Half of Fiscal Year 2015(2015/4-2015/9)

November 4, 2015
NITTO KOHKI CO., LTD.

Consolidated Financial Highlights (million yen)

	FY2015 1H	Year- over- year	Progr ess	FY2015 (projection)
Sales	13,878	-1.1%	50%	27,960
Operating Income	2,610	4.9%	55%	4,720
<i>Operating Income Ratio</i>	18.8%	+1.1pt	—	16.9%
Ordinary Income	2,679	5.2%	56%	4,760
Net Income*	1,836	25.6%	57%	3,210

* Net income attributable to parent company shareholders

- Sales decreased due to selling out subsidiaries
- Profit ratio increased due to domestic sales in good form

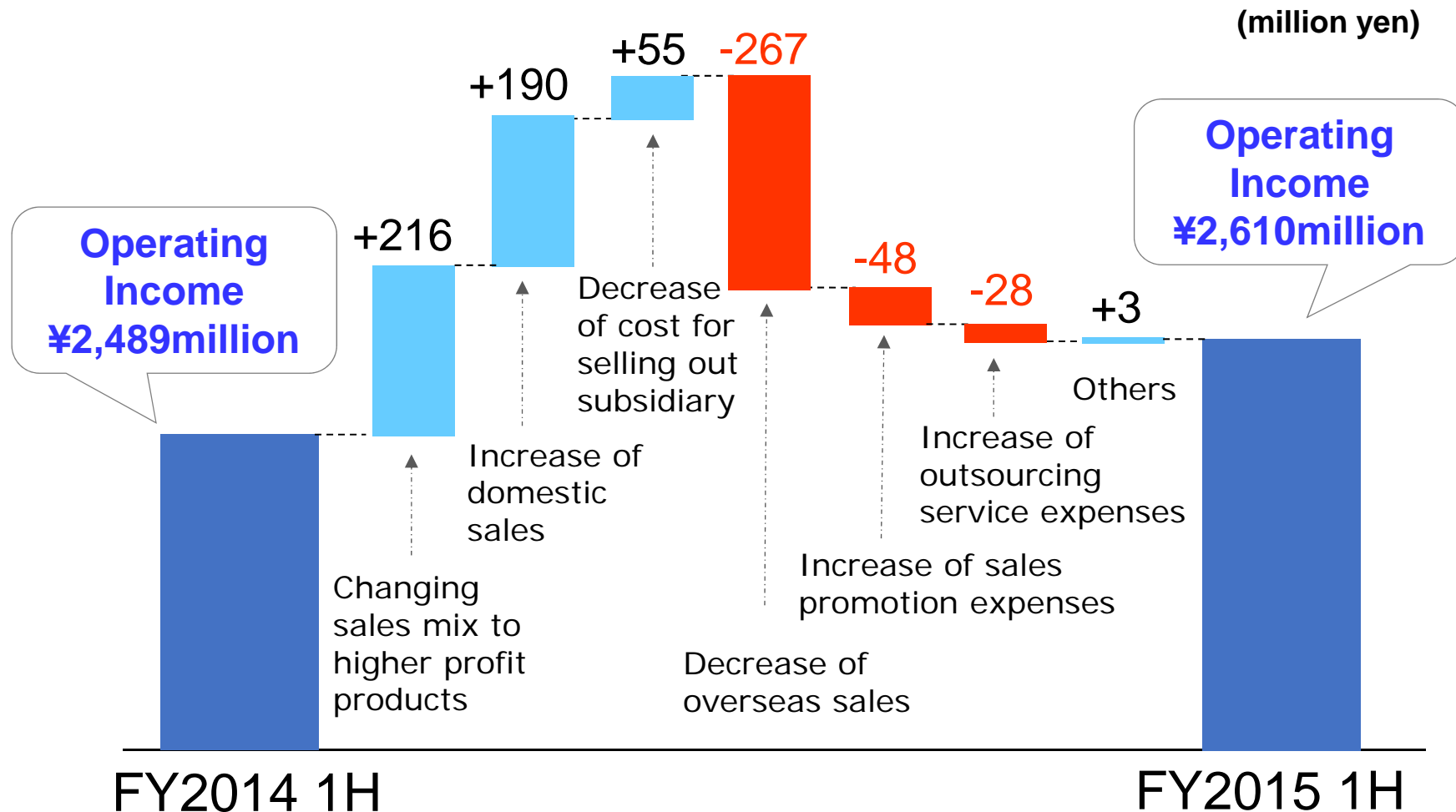
Sales by Product Segment

(million yen)

	FY2014 1H	FY2015 1H	Year- over-year
Total	14,033	13,878	-1.1%
Couplings	5,303	5,531	4.3%
Machine Tools	5,282	4,964	-6.0%
Linear Pumps	2,351	2,251	-4.2%
Door Closers	1,096	1,130	3.1%

- **Machine Tools:** Sales decreased due to selling out subsidiaries
- **Linear Pumps:** Supply for medical devices in good form, and sales decreased significantly of healthcare appliance

Analysis of the Changing Factors of Operating Income in 1st Half of FY2015



Effect of Currency Exchange Rate and Profit

Weaker yen

Sales ⇒ increasing profit

Purchase ⇒ decreasing profit

Rate	Effect of Rate (million yen)
US Dollar	108
Euro	-13
UK Pound	4
AU Dollar	-6
Thai Baht	-116
Chinese Yuan	1

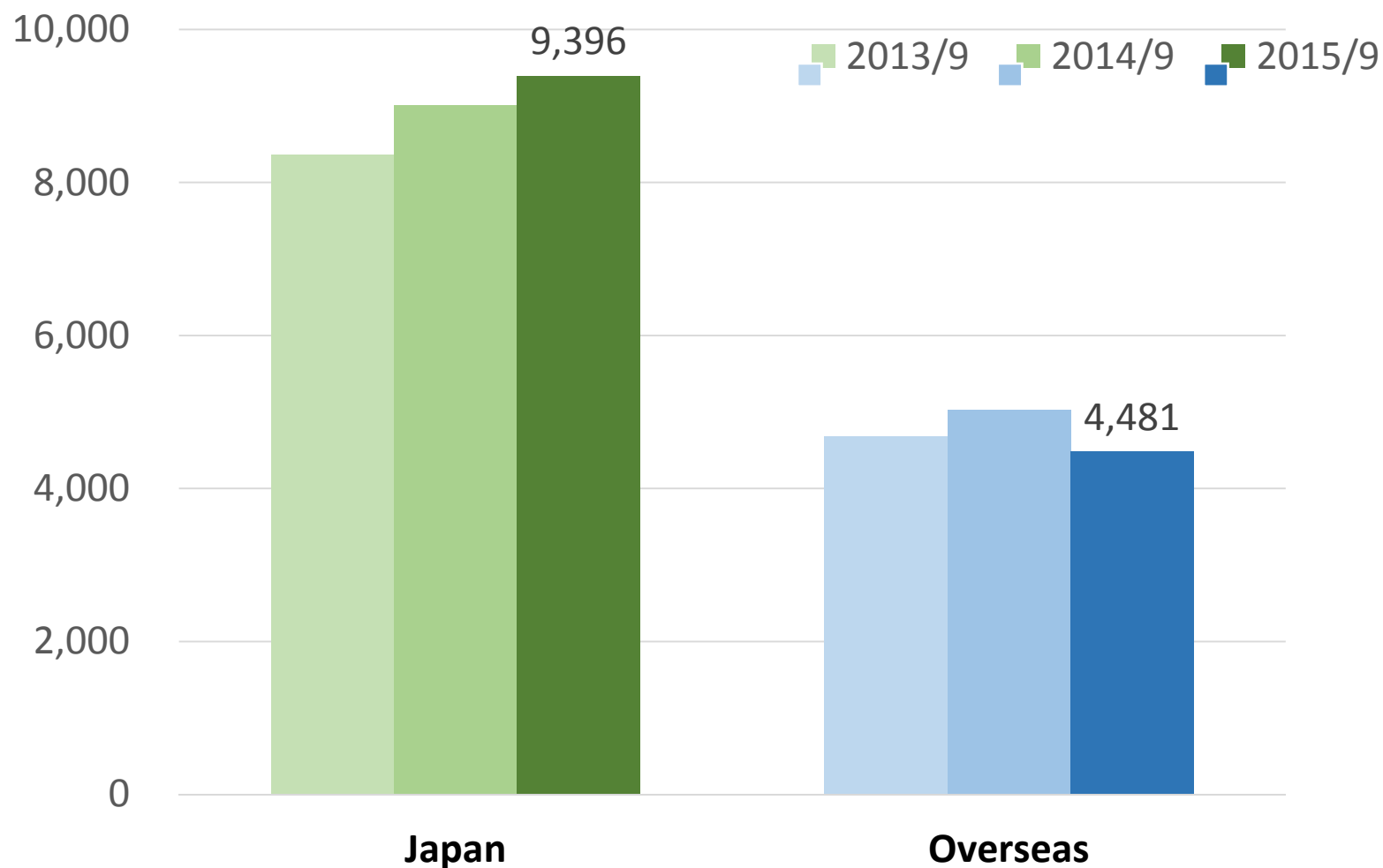
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million yen

Currency	FY2012 1H	FY2013 1H	FY2014 1H	FY2015 1H
US Dollar	79.31	98.59	101.36	122.45
Euro	98.74	128.53	138.31	137.23
UK Pound	123.12	150.30	172.63	192.72
AU Dollar	79.65	91.12	95.50	93.93
Thai Baht	2.49	3.16	3.12	3.62
Chinese Yuan	—	—	16.32	19.73

Sales by Market

■ Sales decreased in overseas due to selling out subsidiaries

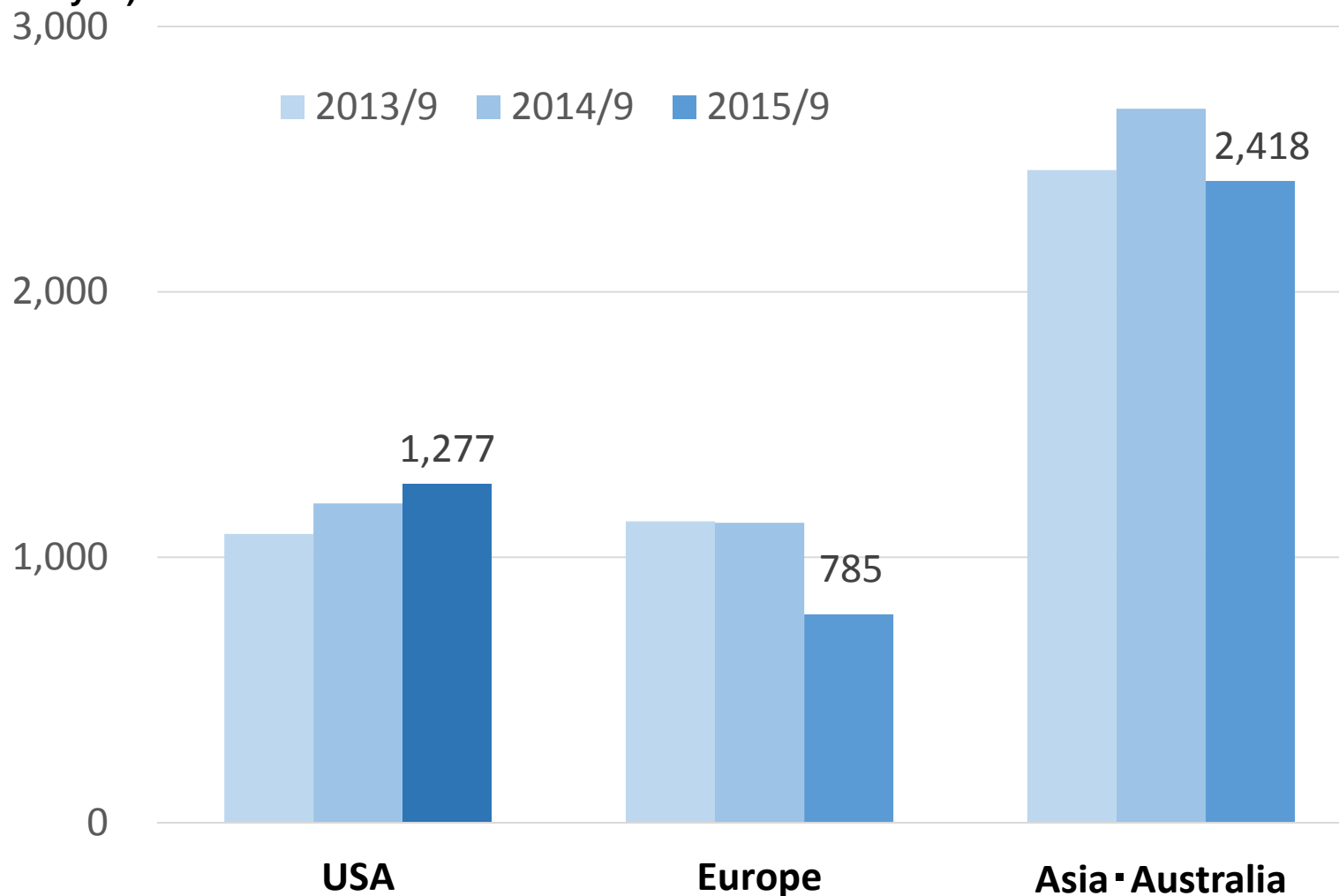
(million yen)



Sales by Market -- Overseas

- Sales slowdown in Asia, and sales decreased in Europe due to selling out subsidiaries

(million yen)



Topics

- **Decide to incorporate MEDO INDUSTRIES into NITTO KOHKI (Scheduled in 2016/4)**

MEDO INDUSTRIES: Our subsidiary for selling linear piston pumps

- **HHV CUPLA adopted in “MIRAI” fuel cell vehicle of TOYOTA**

- **Establish India Liaison Office (2015/7)**

Projects for FY2015

Projects for FY2015

- **Start the sales campaign for 60th anniversary of NITTO KOHK's foundation and for 50th anniversary of Nitto-kai**

Nitto-kai: Sales network for our products, which is organized by industrial and regional group of nationwide 6,000 distributors

- **Restructure production system of Machine Tools**
- **Prepare to incorporate MEDO INDUSTRIES (Scheduled in 2016/4)**
- **Prepare to establish Representative Office in Mexico**

Projects for FY2015

- Decreasing sales and profit due to selling out subsidiaries and tendency to stronger yen expected
(million yen)

	FY2014	FY2015	Year-over-year
Sales	28,715	27,960	-2.6%
Operating Income	4,902	4,720	-3.7%
<i>Operating Income Ratio</i>	17.1%	16.9%	-0.2pt
Ordinary Income	5,091	4,760	-6.5%
Net Income	3,088	3,210	3.9%

[exchange rate planned] 115JPY/USD, 130JPY/EUR, 175JPY/GBP, 3.7JPY/THB

Projects for Sales by Product Segment



(million yen)

	FY2014	FY2015	Year-over-year
Total	28,715	27,960	-2.6%
Couplings	10,709	10,870	1.5%
Machine Tools	10,829	10,020	-7.5%
Linear Pumps	4,937	4,790	-3.0%
Door Closers	2,238	2,280	1.8%

Investment, Depreciation, R&D Expenses

(million yen)

	FY2014	FY2015
Investment	827	1,320
Depreciation	1,212	1,310
R&D Expenses	656	690

[Major Capital Investment]

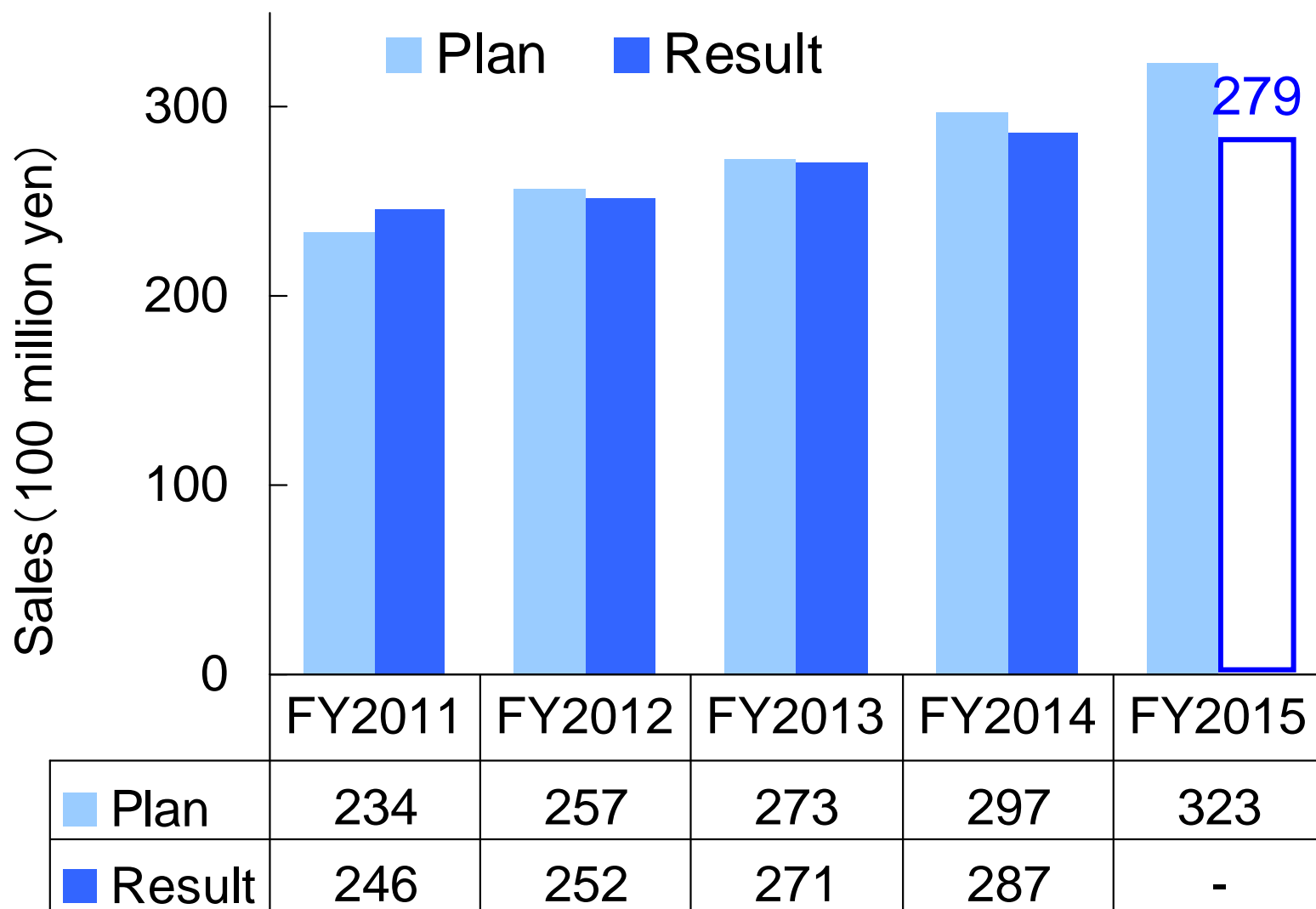
▪ FY2015:

NITTO KOHKI, mold for Machine Tools for production transition

TOCHIGI NITTO KOHKI, production equipment for Couplings

SHIRAKAWA NITTO KOHKI, production equipment for Machine Tools

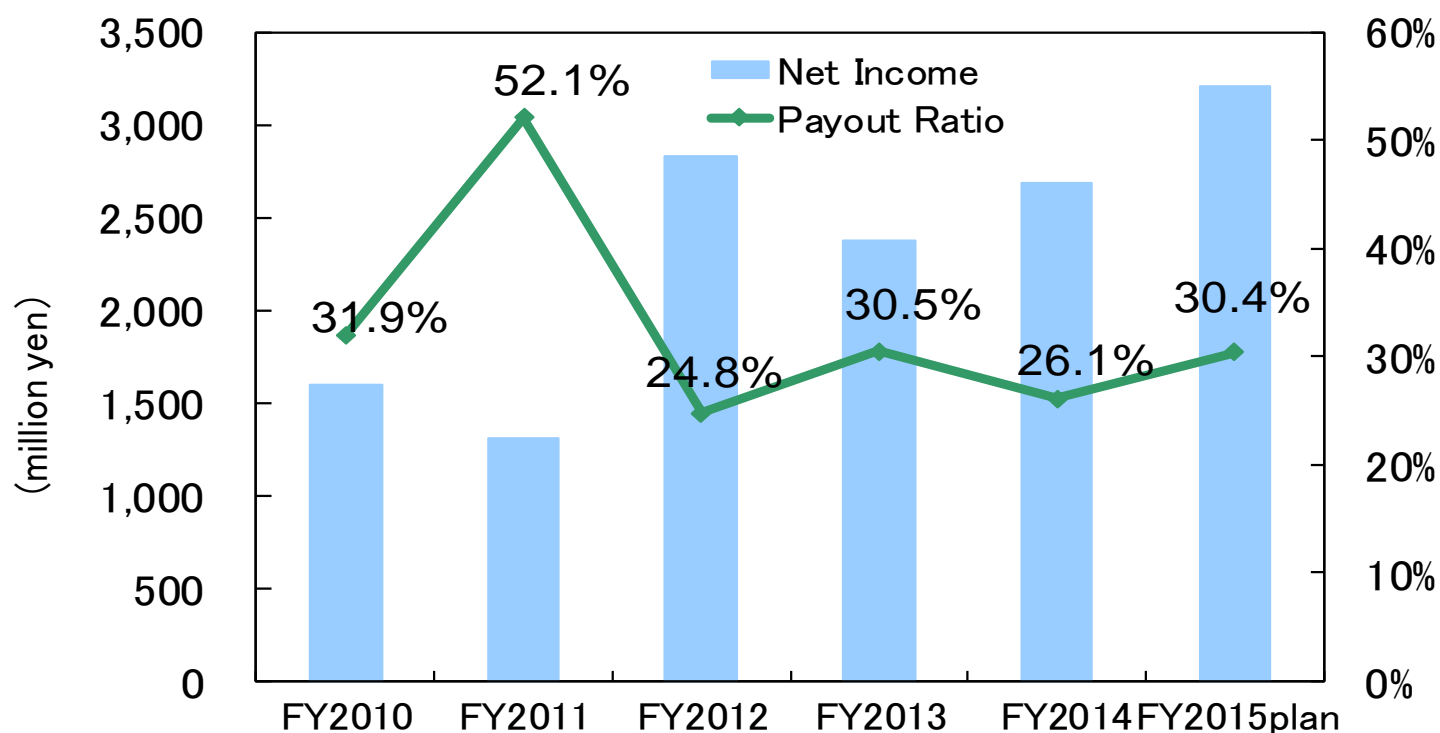
Mid-Term Management Plan (FY2011 to FY2015)



FY2015 Dividend Plan

Target payout ratio is 30%.

Tax refund occurred under transfer price taxation. This refund is outside dividend calculation base.



Interim Dividend	¥7.5	¥16	¥16	¥17	¥19	¥23
Yearend Dividend	¥24	¥32	¥33	¥34	¥38	¥46

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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